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Cuba

SWAPO Combatants Avoid UN Assembly Points

FL1704153989 Havana Tele-Rebelde Network in Spanish 1355 GMT 17 Apr 89

[Text] PRENSA LATINA today comments that there is not much hope for SWAPO [South-West African People's Organization] combatants to go to the UN meeting points in Namibia, prior to returning to Angola, despite the new deadline.

According to sources of the UN Transitional Assistance Group, UNTAG, and sources of the South African Defense Forces, the SWAPO members either go directly to Angola or penetrate Namibian territory. An UNTAG commander explained that this is due to the South African military presence near the meeting points. The attempt by South African forces to check and interrogate the guerrillas that presented themselves at the meeting points created friction among the UNTAG members.

Soviet Ambassador Tours Santiago de Cuba Plants

FL1804023489 Havana Television Service in Spanish 0000 GMT 18 Apr 89

[Text] Yuriy Petrov, member of the CPSU Central Committee and USSR ambassador to Cuba, has visited the Cecilio Sanchez Valiente plant that repairs Soviet trucks and related equipment during his program of activities in Santiago de Cuba. Jose Lopez Moreno, director of the plant, explained that the collective is exceeding its plans and is improving its quality thanks to the implementation of a new organization of work and salaries introduced by Soviet advisors based on experiences obtained in similar plants in the USSR.

In the tour through the truck repair plant, the Soviet ambassador was accompanied by Esteban Lazo, member of the Communist Party of Cuba Politburo and first secretary of the provincial committee of the party. Lazo asked for the brother country's technical-material cooperation to finish important projects committed for the party's fourth congress.

Yuriy Petrov also visited Celia Sanchez textile plant's viscous polyester mill. He learned there that part of the material is being manufactured with cotton thread because of the lack of polyester. Nevertheless, quality continues to increase as a result of the efficient work of its laborers.

The ambassador expressed his satisfaction over the expertise the Santiago de Cuba workers are obtaining in the exploitation of these Soviet technologies.

Risquet Meets With Erich Honecker in Berlin

FL1804004589 Havana Television Service in Spanish 0000 GMT 18 Apr 89

[Text] Erich Honecker, highest leader of the party and state in the GDR, received Jorge Risquet, member of the Communist Party of Cuba Politburo, today. During their meeting in Berlin, the leaders expressed support for political solutions in Central America, southern Africa, and other areas. Honecker highlighted Cuba's efforts in solving problems in the Central American region and the broad economic initiatives developed in the last decade.

Nguyen Van Linh To Pay Official Visit 24-29 Apr

FL1704180489 Havana Tele-Rebelde Network in Spanish 1700 GMT 17 Apr 89

[Excerpt] Comrade Nguyen Van Linh, general secretary of the Communist Party of Vietnam Central Committee, will pay an official and friendly visit to Cuba from 24 to 29 April. Van Linh is coming to our country at the invitation of Commander in Chief Fidel Castro, first secretary of the Communist Party of Cuba Central Committee. [passage omitted]

CEMA Industrial Quality Meeting Begins

FL1704232089 Havana Radio Reloj Network in Spanish 1950 GMT 17 Apr 89

[Text] The 20th meeting of CEMA's industrial production quality began at the Camilo Cienfuegos Room of the Public Health Ministry in Havana today. Its goal, among others, is to determine which goods of the socialist community will be certified in 1990. Delegates of the USSR, Bulgaria, GDR, Mongolia, Poland, CSSR, Romania, Hungary, Cuba, and CEMA's Normalization Institute, will also study the laboratories in charge of certifying exchange goods.

During the opening session it was said that the meeting coincides with an important stage of the Cuban economy because the program to increase quality in production and services approved by the Communist Party of Cuba Politburo is being implemented. Ivan Sapronov, chairman of the industrial quality section of the CEMA, opened the debate of the group Cuba is member since its creation.

Delegate Says Better Cooperation Needed at ILO

FL1704220589 Havana Radio Reloj Network in Spanish 1932 GMT 17 Apr 89

[Text] Cuba made a call today at the International Labor Organization [ILO] for improved cooperation so that underdeveloped countries can sell their goods under just conditions. Carlos Lechuga, Cuban delegate to the ILO meeting being held in Geneva, said the international economic situation conspires against the goal of improving workers' living conditions.

The Cuban representative also mentioned as setbacks the enormous number of obstacles to access markets, disloyal competition, subsidies of developed countries to their agricultural production, and the lack of agreements on basic goods. Lechuga also denied assertions that, in general, agrarian reforms lead to less productivity inasmuch as low yield is seen in places where agrarian reforms have not taken place.

Castro Receives Socialist Press Directors

FL1704124789 Havana Tele-Rebelde Network in Spanish 1100 GMT 17 Apr 89

[Text] Commander in Chief Fidel Castro Ruz, first secretary of the Communist Party of Cuba [PCC] and president of the Councils of State and Ministers has received the delegates who attended the meeting for socialist countries' central newspaper directors.

During the fraternal meeting, Fidel spoke with his guests about various subjects of interest on the national situation, and in particular about the experiences obtained in agricultural and livestock production.

The meeting was also attended by Carlos Aldana, secretary of the PCC Central Committee, and other party and government leaders.

Socialist Science Academies Hold Meeting

FL1704222189 Havana Radio Reloj Network in Spanish 1940 GMT 17 Apr 89

[Text] The 12th meeting of the Coordinating Committee for the construction of scientific equipment of the science academies of socialist countries began today. Its objective is to analyze multilateral cooperation in this important area. The meeting, which is being held in our country for the first time, includes the study of the participation of the Cuban Academy of Sciences in this field, the improvement of mutual supply of scientific instruments and information, and the completion of the cooperation program approved in the 11th meeting.

Noel Toledo, vice president of the Cuban Academy of Sciences, welcomed the representatives of the USSR, GDR, Bulgaria, Poland, CSSR, Hungary, Vietnam, and Mongolia. Toledo noted that in Cuba, the beginning of scientific equipment building was determined by the need to become independent from the capitalist market.

Raul Castro Presides Over Militia Day Ceremony

FL1704141089 Havana Tele-Rebelde Network in Spanish 1100 GMT 17 Apr 89

[Text] Army General Raul Castro, second secretary of the Communist Party of Cuba [PCC] Central Committee and minister of the FAR [Revolutionary Armed Forces], has attended the ceremony and military parade marking Militia Day.

The event was held at the Camilo Cienfuegos Artillery School of the FAR, and was also attended by other party and state leaders, as well as generals, and chiefs and officiers of the FAR and Ministry of the Interior.

The FAR minister presented the Ready for Defense First Stage Banner to the minister of Construction Materials Industry, as well as to the INTUR [National Institute of Tourism], the executive secretariat for nuclear affairs, and the National Civil Aeronautics Institute.

Two hundred members of the MTT [Territorial Troops Militia], as well as 200 MTT reservists, were promoted to the next highest rank.

Roberto Fernandez Retamar, director of the House of the Americas, spoke on behalf of the writers, journalists, and institutions that were awarded the replica of Maximo Gomez' machete. The militiamen received a greeting from the Central Organization of Cuban Trade Unions.

The event was closed by Lazaro Vazquez, alternate member of the PCC Central Committee Politburo and first secretary of PCC Provincial Committee for Camaguey.

Tours Restoration Projects

FL1704132989 Havana Radio Progreso Network in Spanish 1100 GMT 17 Apr 89

[Text] Raul Castro, second secretary of the Communist Party of Cuba Central Committee, has presented a replica of General Maximo Gomez' machete to a group of writers, artists, journalists, and cultural institutes. The solemn ceremony was held on militia day, and on the anniversary of the proclamation of the socialist character of the Revolution, at the Los Laureles moat in the San Carlos de las Cabanas fortress.

Afterward, the first hall of the Fort and Artillery History Museum was inaugurated. Army General Raul Castro also toured the restoration projects for El Morro, and he noted that they will be completed by October 1992.

PCC Member Attends UJC Meeting in Las Tunas

FL1704145089 Havana Radio Progreso Network in Spanish 1100 GMT 17 Apr 89

[Text] Jose Ramon Machado Ventura, member of the Communist Party of Cuba Central Committee Politburo, has praised the vanguard role that the youth of Las Tunas play in the economic and social transformations of the province.

Machado Ventura spoke in Las Tunas capital during the sixth provincial assessment meeting of the UJC [Union of Young Communists], the first one in the country to be held at that level. He emphasized the quality of the meeting in which discussions were held on the main areas that affect the overall development of Las Tunas.

Grenada

Left-Wing Movement Complains of Harassment

FL1704212989 Bridgetown CANA in English 1827 GMT 17 Apr 89

[Text] St George's, Grenada, April 17, CANA—The left-wing Maurice Bishop Patriotic Movement says customs officials in Grenada have again seized a quantity of books from one of its executive members. MBPM leader Dr Terry Marryshow said the books were taken away Sunday from the party's international relations secretary, George Thomas.

Marryshow told CANA that Thomas, an unsuccessful candidate in the 1984 general elections, was returning home from an international conference in Cyprus. He said Thomas was told by customs on arrival that the package of 20 books would be sent to the Criminal Investigation Department to determine whether any laws were violated. Marryshow added that the action being meted out against his party was nothing but harassment by local security officials.

Marryshow has brought a suit against the state challenging the confiscation of several books sent to him by organisations in the United States. The suit claims that seizure of the books is in violation of the Grenada Constitution.

Government officials have often described the banned literature as subversive.

Opposition Leader on Country's Fiscal Policy

FL1704212789 Bridgetown CANA in English 1917 GMT 17 Apr 89

[Text] St George's, Grenada, April 17, CANA—Nicholas Brathwaite, leader of the opposition National Democratic Congress (NDC), says he supports a government fiscal policy which allows the private sector to expand and provide employment, but believes that same policy should provide adequate revenue to support the country's basic services.

Brathwaite, who in a CANA interview described himself as a "pragmatic kind of person" as opposed to "socialist", "conservative" or "liberal", said he backed the private sector position taken by the 1984 interim government which he headed after a bloody revolution here. That position was that the sector had an important role to play in national development, and anything which could be done to support private sector initiative should be done. But, Brathwaite, 64, added, "What is clear is that the current fiscal policy of the New National Party (NNP) does not provide adequate revenue and, as a result, there has been an annual deficit."

While offering no immediate solution to the problem, he suggested consultation with organisations in Grenada, along with input from such bodies as the Caribbean Development Bank and the Secretariat of the Organisation of East Caribbean States.

On the question of income tax, abolished by the NNP, Brathwaite refused to state whether an NDC government would reintroduce it, but said that there would be consultation within the party on the matter when framing its fiscal policy.

"The cross section to be consulted will be a group which will represent people who will be affected by the reintroduction of income tax," he said, "and they are not likely to come up with a recommendation which would adversely affect their members."

Haiti

People's Groups Denounce U.S. Role in Crisis

FL1704163989 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 12 Apr 89

[Text] In a joint press release, several people's organizations and associations have set forth their position regarding the unsettled situation that has existed in Haiti since 1 April. These associations say that the crisis that broke out when groups within the Army clashed just makes the general situation worse.

In their opinion, there has been a general crisis in Haiti since the occupation. Things have gone as far as they have now because the system that has been governing the country for such a long time is now on its last legs.

In the opinion of these groups, the bad (?alliances against the people) between diverse groups that have been in power—such as foreign powers, flunky authorities, and big landowners—are no longer holding up. Today it is clear to everyone that none of these groups is capable of resolving the nation's crisis or satisfying the Haitian people's demands.

These associations denounce the U.S. Government, which continues to interfere in Haiti's affairs, when it declares outright that it supports General Avril's government—before the Haitian people have even stated their desires. These organizations think the threat of U.S. soldiers and weapons landing is a maneuver aimed at preventing the Haitian people from (?choosing) the solution that is to its advantage. No staunch patriot can accept something like this.

They denounce the high-ranking authorities who send the enlisted men out up front to settle their, these authorities', business. (?In any case), these organizations invite the enlisted men, regardless of which side they may be on, to (?come over to) the people's camp.

The people's organizations signing this press release announce that these groups that have always dominated the country and that are today maneuvering right and left are incapable of finding any solution that is to the advantage of the popular masses. They feel that there will be no definitive solution to Haiti's crisis until the masses control the nation's political and economic power, and Haiti's crisis is getting worse every day. All other raggedy [vie] initiatives are just temporary solutions.

These people's organizations ask all sectors in both rural areas and towns that they not fall into the trap of the bigshots' promises. It asks them to, instead, strengthen their organizations, so they can win the battle.

The organizations signing this press release are: Union of Revolutionary Neighborhood Committees [Inyon Komite Katye Revolisyone Ayisyen], Solidarity Among Youth, Revolutionary Committee of Unemployed Haitians, Keep-An-Eye-On-Them Cooperation Group, Solidarity With a View to Establishing a Movement of Small Haitian Peasant Farmers, Solidarity Among Haitian Women [Solidarite Fanm Ayisyen], Rise Up Haitian Women, Association of Students of Northern Haiti, (?League of Former Haitian Political Prisoners), Federation of Neighborhood Committees and Associations, Milot Peasants Movement, People's National Assembly, People's Council for the Liberation of Haiti, Martissant Young People's Committee [Komite Jen Nan Martissant], and the National Federation of Haitian Students.

Jamaica

Manley, Robinson Promote Stock Exchange Idea

FL1704165589 Bridgetown CANA in English 1104 GMT 17 Apr 89

[Text] Kingston, Jamaica, April 17, CANA—Jamaica and Trinidad and Tobago have agreed to work towards the establishment of a regional stock exchange, a government statement here said.

The Jamaican prime minister, Michael Manley, has been promoting the idea of a stock market, and the issue was one of the topics he discussed with his Trinidadian counterpart, A.N.R. Robinson Saturday in the north coast town of Ocho Rios, 60 miles from Kingston. Robinson left here Sunday, having arrived Saturday on his way home from a visit to the United States.

The Jamaican press quoted government officials in Ocho Rios as saying that Manley and Robinson "viewed the settling up of a regional stock exchange as an important step towards regional integration." "It was in this context that both countries agreed to work jointly in advancing the idea," the reports said.

Manley was quoted by the state-run Jamaica Information Service (JIS) as describing the summit, which took place in between a Jamaica cabinet retreat, as timely "because of the many important issues on the regional and international agenda which are critical to both countries and Caricom (the Caribbean Community)." Among the issues which the leaders discussed were the international debt crisis and the drug trafficking problems. Both sides pledged to work together on these problems, having exchanged their views on the subjects. On the drugs and criminality, Robinson elaborated on his proposals for an international criminal court to deal with some issues, and Manley spoke of his call for a specialised world force to help fight against drugs.

Participating in the talks with Robinson were his Trade and Industry Minister Ken Gordon, the Trinidad high commissioner to Kingston, Carlton Gomes, and the prime minister's permanent secreatry, Wilfred Naimool.

The Jamaican team included Deputy Prime Minister P.J. Patterson, Foreign Minister David Coore, Justice Minister Carl Rattray, and the permanent secretaries in the Foreign Ministry and the prime minister's office.

Delegation To Discuss Drug Trafficking

FL1704224589 Bridgetown CANA in English 1510 GMT 17 Apr 89

[Text] Kingston, Jamaica, April 17, CANA—A high-level Jamaican delegation, including three government ministers, has left for Washington and Miami, for talks with U.S. Government officials on further bilateral cooperation in the fight against illegal drug trafficking.

Leading the team is Dr Ken McNeil, minister without portfolio and co-ordinator of the cabinet sub-committee on the control of drug abuse. It also includes K.D. Knight, minister of national security, Dr Paul Robertson, minister without portfolio in the office of the prime minister, as well as representatives from the Jamaica Defence Force and the Jamaica Constabulary Force.

Dr McNeil said the talks will centre on ways of strengthening Jamaica's intelligence capacity in dealing with the problem, as well as identifying areas in which further assistance can be provided by the U.S. authorities.

A government statement said the mission resulted from preliminary talks held by Prime Minister Michael Manley with senior American officials and the U.S. Drug Enforcement Agency, during his trip to Washinton last month.

Other issues to be addressed by the mission include assistance in the design and financing of a crop substitution and alternative income programme, development of anti-drug education programmes for schools and the wider community, as well as the strengthening of regional cooperation in areas such as intelligence, interdiction and legal sanctions. Establishment of proper rehabilitation techniques and facilities will also be considered.

Before his trip to Washington last month, Manley announced the setting up of a special cabinet subcommittee on drugs.

Among its responsibilities are:
expanding public education on the ills of drug abuse;
modernising the narcotics squad;
tightening control at the ports;
ensuring effective surveillance, and
promoting legislation to provide discriminatory penalties between persons in possession of drugs and those dealing in drugs.

The other members of the sub-committee are the ministers of labour, welfare and sport; education; youth, culture and community development; and justice.

St Vincent and the Grenadines

No Charges Pressed Against Venezuelan Ship

FL1704140489 Bridgetown CANA in English
1532 GMT 16 Apr 89

[Text] Kingston, St Vincent, April 16, CANA—St Vincent and the Grenadines has decided not to press charges against a Venezuelan fishing vessel, the Impesmar 1, which was apprehended in its territorial waters two weeks ago.

Prime Minister James Mitchell said in opting against charging the vessels owners, charterers, and captain, government took into account the very cordial relations existing between St Vincent and the Grenadines and Venezuela.

Four years ago a Venezuelan fishing company had to pay U.S. 100.000 dollars as part of an out-of-court settlement after three of its vessels were found fishing in Vincentian waters.

Mitchell said, "In the light of the fact that the Venezuelan Government has got a new administration, I did not want to put the pressure on the fishing boat this time."

He explained that he told the captain and crew "to go in peac,e" but the name of the vessel and its crew were noted, and they were warned not to be seen again in the country's waters.

The four tons of mainly tuna on board the 60-foot vessel was confiscated. The fish was distributed to government hospitals and nursing homes, and sold to supermarkets, hotels, and the public.

The fish sold raised EC6,900 dollars (one EC dollar ; 37 cents U.S.) which chief fisheries officer Kerwyn Morris said will be used for fisheries development here.

Labor Party Names 14 Candidates for Elections

FL1704135589 Bridgetown CANA in English
1552 GMT 16 Apr 89

[Text] Kingston, St Vincent, April 16, CANA—The parliamentary opposition St Vincent Labour Party has named 14 of its 15 candidates for the May 16 general elections.

There are 10 newcomers in Labour's line-up, among them a woman, Selitha Davy, a retired civil servant and educator who will contest the new central Kingstown constituency.

The others are Alingby Gaymes, a businessman in central Leeward, financial analyst Alwyn Westfield (south Leeward), economist and former manager of the National Commercial Bank (NCB) here, Claude Samuel (west Kingstown), banker Michael Manlet (east Kingstown), manufacturer Stanley Quammie (east St George), Senator Stanley John, a lawyer (east St George), farmers and former agricultural officer Montgomery Daniel (north Windward), and building contractor Cornelius Stowe (northern Grenadines).

Party leader Vincent Beache, who first won the north central Windward seat in the December 1974 elections, will again be running in this constituency.

Business executive Ken Browne, the member of Parliament for Marriaqua since 1979, will again contest this seat, with accountant John Thompson running in the north Leeward seat, which he won first in December, 1974, lost to Calder Williams then of the New Democratic Party in December 1979 but regained in July, 1984.

Th 14th candidate is farmer Charles James in the south central Windward constituency. James was the canidate in the 1979 elections for the now defunct People's Political Party of veteran politican, Ebenezer Joshua.

Labour's candidate for the southern Grenadines constituency has already been indentified, but the constituency council of the party is not yet in place to adopt his nomination prior to his endorsement by the national council. The Labour Party's public relations officiers, Senator John, said the party has been preparing for the elections for over the past months. "We feel we do have a winning team that will offer solid representation to the various constituencies throughout the country, and that would form a government suitable to the needs and to fulfill the hopes of the people of St Vincent and the Grenadines at this present point in time," he added.

Opposition Leader on Major Elections Issues

FL1704211589 Bridgetown CANA in English
1908 GMT 17 Apr 89

[Text] Kingston, St Vincent, April 17, CANA—Leader of the parliamentary opposition Labour Party, Vincent Beache, says unemployment, the state of the social services and the cost of living are the major issues which will dominate the May 16 general elections. He said the St Vincent and the Grenadine's Labour Party (SULP) will be concentrating on the "bread and butter issues" in its campaigning.

"The only thing that this government can show to the nation are some little tracks...roads that are 300 or 400 feet. That is the only thing they can project," the

opposition said. "Not one industry has been put up by this government and everything they have done so far, they have carried on where the Labour Party left off (in 1984). They have had no new initiatives," he remarked.

In responding to arguments from the ruling New Democratic Party that the question of leadership will be a decisive factor and that he is not prime ministerial material, Beache pointed out that he has been a leader in the country since 1974 when he was first elected to parliament.

"I was a minister of government from 1977 and my record stands out," Beache said. "What is leadership?" he asked, adding "we do not want one-manism as (Prime Minister James) Mitchell is. Our party has a leadership core, Vincent Beache is only one man in that, as the political leader."

The opposition leader said that he had proved himself time and again at various fora that he was capable, pointing to his service as a former minister of trade, industry and agriculture. "What more do they want?" he questioned.

Saying that it was a two-party race because only the NDP and SVLP were running a full slate, he said that "man for man or woman for woman" the Labour Party was out front in its choice of candidates.

Fifteen seats, two more than in the last elections, are at stake in the May 16 poll. The ruling NDP holds 10 of the 13 seats in the current parliament.

Trinidad and Tobago

Robinson Advances Court Idea in U.S.

FL1704134689 Bridgetown CANA in English
2110 GMT 15 Apr 89

[Text] Port-of-Spain, Trinidad, Apr 15, CANA—Trinidad and Tobago's Prime Minister A.N.R. Robinson took his idea for an international criminal court to deal with illegal drug traffickers to the American public on Friday in an interview with American Cable News Network (CNN).

In the interview broadcast here on local television, Robinson prompted his idea for countries to link their legal resources to beat the possibility of some states or leaders being in league with international drug traders.

"There is evidence which supports that view and that is all the more reason why international co-operation is necessary," Robinson said.

"The powerful offender will always be able to escape the jurisdiction of a national court but if he has to face the jurisdiction of an international court which is backed by the resources of a wide range of countries then he will find it much more difficult to do so," the Trinidad and Tobago leader said.

Robinson said that as leaders changed, a country would still be a member of such an international court, meaning that no leader could get "off the hook".

Robinson said he had mustered support for the idea from the American Bar Association and the U.S. Senate.

Describing the idea as one whose time had come, Robinson said he had mentioned the concept to American President George Bush whom he met on Wednesday.

Robinson visited Washington Wednesday and Thursday and flew to New York Friday.

He is spending the weekend with Jamaican Prime Minister Michael Manley and members of his government before flying back to Trinidad and Tobago.

Unions Against Closing National Fisheries

FL1704133889 Bridgetown CANA in English
2101 GMT 15 Apr 89

[Text] Port-of-Spain, Trinidad, April 15, CANA—The Seaman and Waterfront Workers Trade Union [SWWTU] has taken issue with a decision by the government to close down the state-run fish processing plant, National Fisheries [NFC].

At a news conference in the capital Port-of-Spain, Union officials accused government of acting on inaccurate information about the NFC and seeking to sell state companies to "friends" in the private sector by claiming corruption, closing down operations and seeking a purchaser.

Acting Industry Minister Senator Dr Sahadeo Basdeo announced the closure two weeks ago citing alleged mismanagement and corruption at the company. He said then there were plans for a full investigation into the processing plant.

"There is a private system bias in the government," SWWTU President Vernon Glean told reporters. He added that government should seek to deal with alleged corruption where it was taking place rather than closing down the entire NFC operation.

The union leaders also rebutted official statements that closure of the plant would not have a major impact on the fishing industry. Stating that the NFC had the best fish processing facilities in the country, the SWWTU members also claimed that local fisherman would be adversely affected by the loss subsidised refuelling, cold storage, and bait buying facilities available at the fish processing company.

They also questioned the future of fishermen currently being encouraged to upgrade their equipment under a U.S.500 million dollar grant from the Inter-American Development Bank.

The Union representatives took issue with conclusions of a team of technocrats led by economist Frank Rampersad, who had suggested that the plant could not become viable. The Union claimed it had not been consulted before the recommendations on the plants future submitted to cabinet.

Government is yet to announce a date for the closure of the plant. The Union met government officials Monday to discuss the closure.

Finance Secretariat Official at Debt Hearing
FL1804021089 Mexico City NOTIMEX in Spanish 2117 GMT 17 Apr 89

[Text] Mexico City, 17 Apr (NOTIMEX)—Mexico has begun reducing its debt inasmuch as the total national foreign debt dropped by 13 percent in real terms between 1982 and 1988. This was said today by Jose Angel Gurria, under secretary of international financial affairs of the Finance Secretariat. He asserted that, as a result of repeated restructurings, the country transferred abroad 5 percent of its gross national product (GNP) in the 1982-1987 period. He explained that this figure would have reached 12.5 percent of the GNP a year if the debt had not been renegotiated.

During the first public hearing on the foreign debt called by the Chamber of Deputies, Gurria noted that last year the net transfer of resources abroad amounted to an average of 6.4 percent of the GNP of a $100,384,000 total debt. Nevertheless, he admitted that despite certain favorable indicators, the constant drop in trade terms and the increase of foreign interest rates greatly pressures public finances and the balance of payments. Gurria said that, at this time, all sectors agree that the size of the debt and its service limits economic growth and the possibilities of improving popular welfare. He added that, because of this, the Mexican Government is designing various mechanisms so that creditor banks can choose one or a combination of them to reduce the net transfer of resources abroad, as a condition to encourage growth in a framework of stability.

The official, who was the only speaker in the opening session of the hearings on the foreign debt, will continue his appearance at the legislative organ responding to questions of representatives of different parliamentary factions.

Laguna Verde Nuclear Reactor Started
PA1804032489 Mexico City EL NACIONAL in Spanish 15 Apr 89 pp 1, 11

[Summary] Laguna Verde, 14 Apr—Nuclear reactor No 1, one of the two that the Laguna Verde nuclear power plant will eventually have, was started and put on line 13 April and immediately began producing electric power for the integrated national electric power system.

In this first test, reactor No 1 began operating at 6-percent capacity, generating 40,000 kilowatts of power, according to Guillermo Guerrero Villalobos, director of the Federal Electric Power Commission. The official added that the reactor will be tested until it reaches its full capacity of 654,000 kilowatts. When both nuclear reactors are in operation, the plant will produce 3.5 percent of the nation's electric power, which now is 24 million kilowatts.

The Laguna Verde nuclear power plant was begun in 1970 and is now 70 percent complete at a cost thus far of $2.5 billion.

El Salvador

Merino Claims FPL Responsible for Bomb Attack

PA1704220689 San Salvador Canal Doce Television in Spanish 1900 GMT 17 Apr 89

[Mauricio Funes report]

[Text] Vice President-elect Francisco Merino has disclosed military intelligence information, according to which urban commandos of the Pedro Pablo Castillo Front who operate in the vicinity of the Escallon neighborhood, Jardines de Guadalupe, and Ciudad Merliot were responsible for the attack on his home last Friday.

Merino said the attack was planned by the People's Liberation Front [FPL] for early January but that the operation was not carried out for security reasons. He said this information was obtained by his party after a female member of the organization was captured in late December last year in the Satelite neighborhood in this capital.

[Begin Merino recording] The members of this urban commando unit are:
1. (Armando Flamen), who uses the nom de guerre of Roberto and is the leader of the group;
2. (Alexander Rafael Posada Artilla), alias (Foren), who works for Colgate-Palmolive;
3. (Francisco Eduardo Lasso Flores), alias Arnulfo, who lives in Miralvalle neighborhood, No 138 South Lane, works for Colgate-Palmolive, and travels in a green minivan with private license plate No 110-188;
4. (Liana Elizabeth Hernandez Arenubal), alias Mariana, who lives in the Lisboa neighborhood, Lane No 3, house No 110, San Salvador, and works from 1400 to 1900 at a firm called (Salle), located on Bernal Avenue, Miramonte neighborhood;
5. (Danilo Alexander Regino Barrientos), who is doing construction work at Church of the Poor in La Chacra neighborhood;
6. A priest called Daniel, of Spanish nationality, who works at the same church;
7. (Geraldina Hernandez Arenubal); and
8. (Eugenia Castelar Azabaleta), alias Marta.

This same group is responsible for firing a rocket from a LAW rocket launcher at the U.S. Agency for International Development building late last year. [end recording]

Merino pointed out the authorities' lack of interest in confirming this information and taking the necessary steps. He also said that he will file a complaint on Wednesday with the respective courts against these urban commando members and Salvador Sanchez Ceren, alias Commander Leonel Gonzalez, who is the top FPL leader.

He said it is time to do something about these terrorist actions. Merino said that when his party assumes power on 1 July, it will promote the enactment of more appropriate legislation to enable the security corps to fight terrorism. He suggested that ARENA [Nationalist Republican Alliance] will create its own data bank to cooperate with the Armed Forces in detecting the FMLN [Farabundo Marti National Liberation Front] cells.

CD's Ungo on Elections, Relations With FMLN

PA1704120789 San Salvador Canal Seis Television in Spanish 0200 GMT 15 Apr 89

[Interview with Guillermo Ungo, former Democratic Convergence [CD] presidential candidate, by Joel Burgos on 15 April; place not given—recorded]

[Text] [Ungo] We must first mention a few important things. We do not see our participation in the elections as a failure, not even in quantitative terms. We obtained approximately 3.7 or 3.8 percent of the vote. The figure was below our expectations, but it is still a significant figure.

It is not the [word indistinct] but now they want to say that, because [words indistinct] to go by the election results it would rather be 4 than 3 percent since it is 3.8 percent.

Our participation in the elections, however, must not be measured in that manner. From the viewpoint of the elections, we knew that we were participating in them without democracy and that we were facing huge disadvantages and extremely difficult conditions. In that sense, therefore, [word indistinct] not [Farabundo Marti National Liberation Front, FMLN, Commander] Joaquin Villalobos.

In addition, Democratic Convergence leader Reni Roldan and I signed a document in which we presented our election objectives. We said we had achieved our basic goals in the elections. These goals are along the same lines as the objectives presented by Joaquin Villalobos yesterday.

[Burgos] Dr Ungo, at first, however, you said the transportation stoppage reduced the CD's election turnout.

[Ungo] Yes. There is no contradiction here. We did not expect to get a fair turnout, but we did expect a more favorable turnout than we got. We believe we could have obtained between 10 and 12 percent of the votes—more than 10 percent. We think the FMLN's transportation stoppage affected us. The stoppage itself, however, was not the main problem. The main problem was increased military action a few days before the elections, which cut off electricity and water services on election day. Those actions put fear in the population, which resulted in an abstention from which the FMLN could not really profit, despite what its members say.

[Words indistinct] many people did not vote not only out of fear, but also because they could not vote. They could not get to the voting centers. In that sense, we believe the FMLN's decision was a mistake. The FMLN's action and decision helped ARENA [Nationalist Republican

Alliance] win the election in the first round and, therefore, we think the FMLN's decision was a serious mistake. That action prevented us from going to a second election round. We would have had a different scenario then. There would have been another opportunity to present more proposals, such as the one the FMLN recently presented, which was [word indistinct] and would have had more possibilities. We would have participated in an election process that would have been more like a process of negotiation and discussion for a political solution than an election process. We, however, blew our chance.

A second election round would have meant greater voter participation that would have been more favorable for us. It is not the same to end up obtaining 3.8 or 4, 6, or 7 percent of the votes as receiving 10 or 12 percent of the votes. We must [words indistinct] a favor to us. We did not expect the FMLN to ask people to vote for the CD and that was a contradiction, because the FMLN proposal to participate in the elections had been rejected. We do not believe the FMLN should have gone so far as to decree a transportation stoppage.

[Burgos] [Words indistinct] the FMLN proposal?

[Ungo] I do not think so. I do not think so. On the contrary, that served to show we are a necessary element in any type of solution, since the FMLN proposal centered on participation through the CD.

I do not believe the FMLN proposal had the nationwide impact Commander Villalobos attributed to it. Surveys proved this. It had an enormous impact among political groups and leaders beginning with the military leadership. It had an earthquake-like effect within the Army. It also had a great impact on the various political parties, including the Christian Democratic Party, ARENA, and others. On the national level, only the most radical, politicized, and [word indistinct] groups received the proposal in an active and combative manner at the end, because at the beginning only the CD welcomed and disseminated it. In that sense, we also disagree with Commander Villalobos.

I believe it is interesting to be discussing differences publicly before the people while basically our two organizations still agree on basic issues. Each of us has his own path, actions, and [word indistinct] leading to a common goal, which is the attainment of a peaceful solution in El Salvador. That goal is what has linked our two organizations politically.

[Burgos] Despite the disagreements between the two leftist groups, the backbone remains unchanged. The alliance between the FMLN and the FDR [Revolutionary Democratic Front] continues.

Bishop Condemns 'New Methods' of 'War Violence'

PA1704043889 San Salvador La Voz Panamericana in Spanish 1400 GMT 16 Apr 89

[Homily by Msgr Gregorio Rosa Chavez, bishop of San Salvador, at the Metropolitan Cathedral in San Salvador—live]

[Excerpts] [Passage omitted] Within the atmosphere of expectations, hopes, and fears regarding the new administration that will take over on 1 June, certain events have taken place that merit our attention. Some are related to the new methods of war violence, others have to do with the anguish of the day-to-day Salvadoran situation, and others are related to the pastoral work of the Catholic Church. All of this can be viewed within the context of President-elect Cristiani's visit to the United States. This visit will undoubtedly have important consequences.

We condemn the new methods of guerrilla violence—as much as we condemn the traditional methods—which now seem to pinpoint business enterprises as special targets. Several enterprises have been destroyed recently, and this affects not only the owners but also the workers and their humble families. We must also include the attack on the home of Vice President-elect Francisco Merino, if it is confirmed that it was done by the Farabundo Marti National Liberation Front. At any rate, it was a terrorist attack because it was aimed at civilians. [passage omitted]

The media have reported several accusations that have been made against the Church. First, there was a serious allegation made against a Jesuit priest by the Nationalist Republican Alliance, to which the priest has already responded. In addition to this, there were accusations made against Father Walter Guerra, who immediately received the support of his bishop.

Our Legal Assistance Office has also been the target of these verbal attacks. A bulletin by the Armed Forces Press Committee [COPREFA] describes it as an organization that is preparing a vast campaign to mar the prestige of the Armed Forces and the new government. In this regard, we want to respectfully announce the following:

First, the Legal Assistance Office is ruled by the criteria of the Church in the job of promoting and defending human rights. This criteria remains unchanged, regardless of the party in power. Second, on our part, we will remain open to communications with the Armed Forces chiefs as well as with officials of the new government, as we are moved by the same spirit that has ruled us up to today: Through the gospel, we will cooperate for peaceful coexistence among all Salvadorans. This brotherly coexistence is built on truth, justice, freedom, and love, as the late Pope John XXIII taught us.

Third, we will contact COPREFA so that it can inform us of the evidence that led to the bold statement it made in the above-mentioned bulletin, which was published in the national press.

It is sad, brethren, to have to speak of all this when we are celebrating today the Sunday of the Good Shepherd. The first image that the Christians painted in the catacombs must have been a very sweet image. We would have preferred to have used the beautiful language of so many sacred writers. Unfortunately, here we have to confront the reality of the other part of the parable, which tells of the Shepherd defending his flock against the wolves, with all the risks that this entails.

Our fatherland will begin a new chapter in its heroic history. Let us pray for the new leaders so they will know how to be true shepherds of the people. It is true that they receive their authority from God, but it is also true that they will only be worthy of this authority if they exercise it while keeping in mind the poorer and weaker brethren of El Salvador.

FMLN Reportage on Actions, Casualties

[Editorial Report] (Clandestine) Radio Venceremos in Spanish to El Salvador at 0000 GMT on 13 April broadcasts 6 minutes of reports on Farabundo Marti National Liberation Front, FMLN, guerrilla actions.

The first report states that three simultaneous operations were carried out against the electricity system in San Salvador.

A second report says that the electricity line from the Agua Caliente substation to Buena Vista development in Soyapango was sabotaged. It adds that another line was cut between Agua Caliente and Plan del Pino.

In a third report, the station says that "a raid was staged on El Rosario coffee mill in Comasagua, La Libertad Department." The station says that "the Civil Defense command post was totally destroyed and six casualties were inflicted on the paramilitary troops." The report adds that weapons and other war supplies were destroyed.

In a report from San Salvador, Venceremos says that on Monday urban commandos attacked security guards at a branch of the Agricultural Development Bank, inflicting one casualty on the Treasury Police.

In another report, Venceremos says that an Atlacatl Battalion unit was attacked while en route from Metapan to Finca Pinal and four casualties were inflicted. In addition, it says that a corporal was killed by a mine in the same area in Metapan and "yet another casualty was inflicted on the Atlacatl Battalion at 1000 at El Pilar village."

Finally, the station reports that "on 10 April, the body of a youngster was found in El Zapote Canton," on the highway from Suchitoto to Aguilares. The report adds that the body "bore clear signs of torture." "This body was dropped from an Air Force helicopter," the station notes.

12-14 April Actions

PA1604040289

[Editorial Report] (Clandestine) Radio Venceremos in Spanish to El Salvador at 0000 GMT on 15 April carries 10 minutes of reports on recent military actions by the Farabundo Marti National Liberation Front (FMLN).

The station reports that FMLN guerrillas attacked the Army's Lenca Battalion at Las Nubes hill in Corinto on 14 April. The report states that "the enemy fled in disarray, and the guerrillas proceeded to hold meetings with the townspeople."

Turning to events in San Salvador, the station "confirms" that FMLN guerrillas attacked 1st Brigade troops near the National University campus, and that in the skirmish, the soldiers shot one of their own men. In addition, the station reports that on Thursday, 13 April, urban guerrillas attacked policemen guarding the Banco Comercial in the (Cucumasayan) neighborhood, inflicting one casualty.

The station reports that on 13 April, urban guerrilla cells inflicted 6 casualties on the Finance Police in an attack on a police van in Morazan Park. The last report from the capital states that a guerrilla act of sabotage at the Molina furniture factory resulted in an estimated 3 million colons in losses.

The station reports that FMLN guerrillas inflicted the following casualties on the Army in the central part of the country: one casualty from mines inflicted upon the (Toriano) Battalion in Platanares, Suchitoto on Friday, 14 April; one casualty to the Bracamonte Battalion in an ambush at the Mirasol Farm in Quezaltepeque; two casualties from snipers and a mine inflicted upon an Army patrol on 12 April; and another casualty inflicted by a sniper at the same farm the next day.

The station reports that FMLN mines inflicted one casualty on the Army's Military Detachment No 5 at La Viuda hill, La Bermuda canton.

In a communique, the FMLN states that in response to an operation being carried out by the Army's Bracamonte Battalion, 1st Infantry Brigade, and 1st Cavalry Brigade "to protect the oligarchy's interests," guerrilla units have proceeded to mine the following farms: Santa Cristina, (El Tonto), El Transito, San Carlos, El Socorro, La Presa, El Castano, Adelaida, and Santa Margarita in the Nejapa area, and Mirasol, Cuatro Santos, El Carmen, Antioquita, Golondrina, El Paraiso, Miranda, Bolivar, and Santa Luisa in the Quezaltepeque area. The communique states that the mines will be left in place "for the duration

of the Armed Forces operation." It informs farmers that they will be able to gather wood and fruits "by agreement with the FMLN units on the San Salvador volcano."

The communique also informs farmers that "the FMLN will guarantee the 1989-1990 coffee harvest for the benefit of families living in the area, without fees."

In a final, "last-minute" report, the station says that at 1000 on 14 April, guerrilla units clashed with Cacahuatique Battalion troops at Guarumal Hill, Morazan. The report states that the "enemy" strafed the area "indiscriminately" over a period of 3 hours. It adds that the Army sustained four casualties in the fighting.

Army Reports Guerrilla Casualties, Attacks

PA1404232189 San Salvador Canal Doce Television in Spanish 0300 GMT 12 Apr 89

[Text] The Armed Forces today reported seven Farabundo Marti National Liberation Front [FMLN] casualties. The FMLN also sabotaged the telephone system.

The Armed Forces report that a guerrilla was killed in a clash with Civil Defense members at El Rosario Canton, La Libertad Department. Another insurgent was killed in a skirmish with the Army near Osicala, Morazan Department. His rifle and a large amount of ammunition were seized.

In another development, five guerrillas were wounded in a surprise attack by Army troops near Villa Victoria. In addition, approximately 300 families were left without communications when urban guerrillas blew up a telephone junction box on the main street of (Vista Hermosa) development.

17 More Guerrillas Killed

PA1504180189 San Salvador Canal Doce Television in Spanish 0300 GMT 15 Apr 89

[Text] Seventeen guerrillas and one soldier were killed during clashes with the FMLN [Farabundo Marti National Liberation Front] during the past few hours.

Authorities have identified the body of soldier Carlos Antonio Ramirez, a member of the 4th Brigade, who died when he stepped on a mine during an operation in Chalatenango Department.

It was also reported that seven guerrillas were killed and five wounded during clashes in San Jose de las Flores and San Luis del Carmen, Chalatenango Department.

Meanwhile, four guerrillas died during a clash with the 3d Infantry Brigade near Chinameca, San Miguel Department.

In addition, the Army reported that six guerrillas died during various clashes in San Vicente, Cuscatlan, and Usulutan Departments.

CDHES on 'Alarming' Human Rights Violations

PA1504185589 San Salvador Radio Cadena YSKL in Spanish 1200 GMT 15 Apr 89

[Text] The nongovernmental Salvadoran Human Rights Commission [CDHES] recently expressed its concern over the human rights situation during the first quarter of 1989.

The violation of fundamental human rights is alarming and is reflected in statistics. The fact that there were 310 more cases than during the same period in 1988 clearly shows that the situation is worsening every day.

CDHES member Oscar Hernandez said that the increase is not only alarming, but shows what the Armed Forces and the government are doing to grassroots organizations.

Guatemala

Cerezo Makes Panamanian Democratization Proposal

PA1504205589 Guatemala City PRENSA LIBRE in Spanish 13 Apr 89 p 13

[Text] The Guatemalan Government has drafted a Central American proposal for Panama's democratization through the elections to be held in that country on 7 May.

President Cerezo Arevalo made the announcement at an informal news conference in one of the halls of the National Palace as he was heading to his office.

"So far we have not received any formal invitation from the Panamanian Government to witness the elections; therefore, we cannot send any official delegates," he said.

"We will wait and see, and if no invitation is received, we will send political delegates representing the Guatemalan Government's position. These representatives could be deputies," he stressed.

Cerezo added that he drafted a proposal that he sent to Costa Rican President Oscar Arias Sanchez asking him to support a Central American initiative for the restoration of democracy in Panama.

He said that he has not yet received a reply from the Costa Rican president.

* Democratic Left Reduced to PDCN, PSD

32480107a Guatemala City PRENSA LIBRE in Spanish 18 Mar 89 p 15

[Text] The democratic left bloc known as "tuti-fruti" has been reduced to only two parties in the National Congress: the Democratic National Cooperation Party (PDCN) and the Democratic Socialist Party (PSD), according to information provided in a news bulletin.

The break with the other political group, a faction of the Revolutionary Party (PR), was due to an unsuccessful attempt to reach agreement with Deputies Rafael Arriaga, Roberto Alejos, Enrique Arturo Claverie Delgado, Carlos Chavarria and Jorge Gonzalez Argueta.

The above—the bulletin adds—is the result of a disagreement on the way in which they had to vote to support the multiparty agreement on approval of congressional committee chairmanships.

From the start, adds the bulletin, Deputies Nery and Juan Morales Gavarrete of the PDCN, who are brothers, and Enrique de Leon Asturias and Hector Vasquez of the PSD maintained the firm position of supporting and defending what had been agreed on with the other political parties represented in Congress.

However, it goes on, a consensus of all the members of the bloc could not be reached because personal interests were placed before ideological concerns, superseding them.

The note signed by Deputies Nery Noel Morales Gavarrete, Juan Morales Gavarrete, Enrique de Leon Asturias and Hector Vasquez Gomez concludes that this is why the democratic left bloc will continue to be composed of the PDCN and PSD parties.

*** Short-, Long-Range Economic Policies Reviewed**
32480107b Guatemala City DIARIO DE CENTRO AMERICA in Spanish 14 Mar 89 p 5

[Text] The government which was inaugurated in January 1986 has proposed a series of measures and guidelines to be implemented at various levels to deal with the current critical situation. These include policies to be applied immediately, in the medium term and, more recently, strategic proposals with terms extending as far as the year 2000.

The above is contained in an interesting paper written by Dr Oscar Menjivar in the book "Measurement, Analysis and Formulation of Employment and Income Policies in Guatemala."

In the paper, he adds that, in the Short-Term Economic and Social Reform Program, the national government has set itself the top priority objective of "stopping the decline in production of goods and services, which is not only an economic disaster, but also impoverishes the population."

The objective of maintaining vigorous economic growth is also set forth in the medium- and long-range programs. Within the framework of the Guatemala [Year] 2000 Program, preliminary econometric estimates have been made that set an annual growth rate of 5 percent for the gross domestic product between 1988 and the year 2000 in order to achieve the program's objective of restoring the 1980 per capita income level by the year 2000.

The researcher adds that the proposed growth strategy will be based on an increase in the rate of private investment to 7.4 percent a year, and that of public investment rate to 13 percent. These rates are the ones observed for the Guatemalan economy during the 1970-1980 period.

At a later point he states that dynamism in the private investment sector will be backed by the medium- and long-range economic policy through credit—within the bounds of monetary expansion—national investment subsidization, mobilization of domestic savings through the establishment of a securities market and promotion of the country a location for foreign investment.

He also emphasizes that making exchange rates uniform and stabilizing prices of domestic consumption products seek to improve conditions for producing and marketing these products. In the medium and long terms the measures alluded to have been established chiefly to effect supply; in the short term (except in the event price controls should be removed) the policy is aimed at influencing the general determinants of demand through conventional fiscal, monetary and credit measures.

He also states that the long-term development strategy will primarily emphasize the promotion of nontraditional exports and increased revenue from tourism. Revenue from these sectors will have to grow at an annual rate of 12.5 percent, under favorable circumstances, in order to decisively overcome the external restrictions on economic growth which apply to the foreign debt with the principal aim of improving the balance of payments.

*** Paiz Novales Candidate for PR Secretary General**
32480107d Guatemala City PRENSA LIBRE in Spanish 9 Mar 89 p 28

[Text]"I have agreed to be the Revolutionary Party (PR) candidate for secretary general because we must restore decorum, dignity and decency to the party, which we must reclaim from the evil hands in which it is held," said Colonel Ernesto Paiz Novales in expressing his gratitude for the nomination which the by 10 department secretary generals convened in Chiquimula had offered him.

"We must get the party out of its rut because it has been stagnating in terms of national policymaking; it must be made independent because even Christian Democracy leaders have tried to make a deal with the PR, but we will not permit this," he added.

"When we attain our goal, I will demonstrate that I am a man of my word, a man of revolutionary faith and without duplicity of any kind, in addition to being equable, which are the best attributes I can offer the party," Colonel Paiz Novales said in closing.

Nicaragua

Assembly Approves Electoral Law Article

PA1804042289 Panama City ACAN in Spanish 0301 GMT 18 Apr 89

[Text] Managua, 17 Apr (ACAN-EFE)—Nicaraguan opposition deputies today stormed out of the National Assembly after it approved without substantial change, an electoral law article on the composition of the Supreme Electoral Council [CSE].

A "balanced" CSE was one of the commitments made by President Daniel Ortega during the Central American summit held in El Salvador on 13 and 14 February.

This council will be in charge of organizing and directing the elections scheduled for 25 February 1990 and of drawing up the electoral timetable.

The National Assembly approved without any change the contents of the article on the CSE in the government's draft of reforms to the electoral law.

This article, the first of the draft reforms to 27 of the 215 articles of the electoral law, establishes the creation of the CSE with five magistrates and their respective alternates, elected by the parliament from slates proposed by President Ortega.

The text of one of the approved articles states that the president will ask the parties that are represented in parliament and that have legal status, with the exception of the government parties, to present lists to make up the slates for magistrates.

The opposition asked that this article be reformed to permit the "pluralistic" composition of the CSE since, as it stands now, the ruling party maintains control.

Communist Deputy Allan Zambrana proposed that the opposition present two slates, the government two others, and a fifth would be discussed by "common agreement" and would be formed by a "notable."

Shortly after the session approved this article, some socialist, conservative, liberal, and communist deputies stormed out of the hall, arguing that their motion was not considered.

"The government is not interested in complying with the El Salvador agreements because it is rejecting the opposition's demands," conservative Deputy Cesar Augusto Castillo told ACAN-EFE.

"There is nothing to be done here," he added in leaving the parliament.

"We are leaving but this does not mean that we are totally abandoning the discussion of the electoral reforms. We will return tomorrow," socialist leader Luis Sanchez said.

Carlos Nunez, president of the parliament, said the opposition's proposal was "illogical," and he added that because of the current situation in the country, it would be very difficult to find a "notable," in other words someone who would have "no party leanings."

Nunez rejected the opposition charges that the ruling party, the Sandinist Front, is planning a fraud to remain in power.

The National Assembly today began discussing the report on the electoral reforms drafted on the basis of proposals made to Ortega by 14 opposition parties.

In El Salvador, Daniel Ortega also promised to amend the electoral and media laws and to release former Somozist guardsmen in exchange for a plan to demobilize the contras living in Honduras within 90 days.

National Assembly sources told ACAN-EFE that the debate will probably end tomorrow, Tuesday, because the electoral amendments must be ready before 25 April.

"We cannot play or adopt demagogic positions because we have a deadline for approving this law, as the El Salvador agreements stipulate," Carlos Nunez said.

Ortega Presents Contra Repatriation Plan

PA1804051389 Panama City ACAN in Spanish 0436 GMT 18 Apr 89

[Text] Managua, 17 Apr (ACAN-EFE)—The Nicaraguan Government today presented a proposal whereby the contras stationed in Honduras would be voluntarily repatriated and relocated within 3 months, in compliance with the agreements made at the Central American presidents' summit meeting in El Salvador.

President Daniel Ortega read the details of his proposal to reporters at the Foreign Ministry in Managua. The proposal was presented to Jean Pierre Hocke, UN High Commissioner for Refugees, UNHCR, with whom he met tonight.

The plan, which concludes with the total disarmament of the anti-Sandinist rebels, was simultaneously announced to the other Central American presidents, who will meet again at the end of June or beginning of July, according to Ortega.

The Sandinist president's initiative calls for the creation of an international commission to support and verify the plan, which would be formed by UN and OAS Secretaries General Javier Perez de Cuellar and Joao Baena Soares.

This commission would be supported by the UNHCR and the International Committee of the Red Cross based in Geneva. If the plan is approved, the Governments of Nicaragua and Honduras will eventually ask these two organizations to participate.

The plan proposed by Nicaragua would go into effect on the date all the Central American regional governments agree to it and the regional presidents sign it. At that time, it will become effective for 3 months.

Contingencies not considered in the plan proposed by the Sandinists would be resolved by the International Support and Verification Commission following consultations with the governments of Managua and Tegucigalpa.

President Ortega told journalists this evening that he does not know yet the Honduran Government's reaction to this plan and that he expects that the Honduran authorities will comment and make observations on it in May.

Ortega said that in May there will be a meeting of area deputy foreign ministers and that that will be a good opportunity for the government of President Jose Azcona to present its comments on the plan.

"Naturally," Ortega said, "the future of the plan depends on the support it receives from the U.S. Government."

The 11-point Sandinist plan will coincide with the start of the Nicaraguan election campaign, which will culminate in general elections on 25 February 1990, Ortega said.

Likewise, as the proposal is implemented, the Nicaraguan Government promises to release all the contras sentenced for involvement in armed actions against the revolutionary government and all those who will be arrested in the future, "because the war has not ended and armed actions are always occurring," Ortega stressed.

One of the points included in the proposal states that "this plan will conclude with the contras laying down their weapons, their repatriation and voluntary resettlement in Nicaragua, the relocation to third countries of all those who choose not to return to Nicaragua, and the dismantling of the installations that belonged to the unconventional forces."

Ortega's initiative comes 2 months after the Central American presidents agreed in El Salvador to draft within 90 days a plan to dismantle, relocate, and repatriate the contras.

The initiative was revealed on the occasion of a visit by Jean Pierre Hocke, UN High Commissioner for Refugees, who arrived from El Salvador and will travel to Guatemala tomorrow.

Hocke, a Swiss citizen, arrived in Managua to hear the Nicaraguan authorities' views on the International Conference for Refugees and Displaced People that will be held in Guatemala in late May.

The exact number of contras and their dependents currently in Honduras is not known because, according to Ortega, "the region's governments have yet to reconcile the differences in the figures."

'War Will Continue' Unless Bush Changes Policy

PA1704135789 Managua Radio Sandino in Spanish 1236 GMT 17 Apr 89

[Passages within quotation marks recorded]

[Text] Closing the 4th National Assembly of Sandinist Youth, Nicaraguan President Daniel Ortega said that the Bush administration's policy endangers the peace process and what little progress has been made in the Central American peace process.

The Nicaraguan president said that the war will continue unless the Bush administration decides to put an end to the policy inherited from former President Reagan.

Ortega urged delegates to continue to fight and to prepare themselves militarily to win the economic and election battles ahead.

[Ortega] "The war is continuing but not with the intensity it had a few years ago. Reagan promoted his strategy, but he had to leave office. The revolution, however, continued. However, the Bush administration has not reached a final decision about breaking with Reagan's policy. Why? Because Bush, whether we like it or not, was Reagan's vice president. Oliver North—once a hero and now apparently considered a criminal—is a courtroom defendant. Reagan abandoned North, but North is now revealing how former Vice President Bush became personally and directly involved in efforts to get other area governments to support the aggression against Nicaragua.

"North has implicated half the world with his statements. He implicated a number of governments that Nicaragua (?is helping). (?We are concerned because) a number of governments throughout the world are clearly involved in the supply of arms to the counterrevolution. They heeded a call made by the Yankee government, Reagan's government.

"Therefore, we are worried; and we must condemn the policy that the new U.S. Administration continues to defend. It is a policy that endangers the peace process. It is a policy that endangers the progress made in Central America."

Referring to demands that the houses and lands once owned by the former Somozists be returned, Ortega said that they will not be returned because people paid for these properties with blood and at the expense of sacrifices by the Nicaraguan people:

[Ortega] "We are inflexible about that. The pardoned guardsmen cannot reclaim their houses because the houses where they once lived, that they claim to own, were built with the Nicaraguan people's money and blood. These houses are now in the hands of the Nicaraguan people. The same applies to the land turned over to the peasants. These lands belonged to the Somozists and large landowners. They will not be returned. We will not return the houses or the lands to them."

Regarding the elections, President Ortega said:

[Ortega] "It is not a matter of winning the elections on 25 February 1990; we have been winning the elections every day. We already won the elections to the extent that the Nicaraguan people support the revolutionary process. However, we must continue to win these elections every day through our exemplary behavior, hard work, dedication, and sacrifice. We must join the people's struggle and maintain a critical attitude toward the mistakes made first by us, and then by others."

H. Ortega Warns of 'Greater Military Crisis'

PA1704141789 Managua Radio Sandino in Spanish 1239 GMT 17 Apr 89

[Report by unidentified reporter on speech by Defense Minister General Humberto Ortega at the Fourth National Assembly of Sandinist Youth in Managua on 15 April]

[Text] Nicaraguan Defense Minister Army General Humberto Ortega has predicted a greater military crisis if the United States does not take into account the Nicaraguan election process and continues to sustain the contra movement.

Ortega said the Nicaraguan youths' main task is mobilization for the homeland's defense. Gen Ortega made these remarks to over 800 delegates to the Fourth National Assembly of Sandinist Youth. Ortega urged the delegates to participate in the upcoming Military Patriotic Service recruitment process and mobilization.

Gen Ortega said all of Nicaraguan society must be responsible for the homeland's defense.

[Begin Ortega recording] Between April 1989 and February 1990—when the elections will be held—[words indistinct] 8,000 men; in July, we will recruit approximately 4,000 men; in October, we will recruit over 3,000 men; and in February, when the elections are being held, we will have to recruit nearly 10,000 men. The revolution demands that youths actively participate in tasks. We also must fulfill the important tasks of mobilization to ensure a permanent force. We must retrain our forces and maintain a framework of general defense.

In June 1989, 4,000 men will be demobilized; in September, 3,000 men will be demobilized; and in December, 1,500 men will be demobilized. As you know, this is a huge effort by the youths.

Registration for 1990 will be held in November for those born in 1972. We will register 30,000 youths for defense duties.

Even though the plans for reserves have been reduced because of the country's general situation, it does not mean the reserve system has been eliminated. We will need to mobilize nearly 10,000 reservists for war zones and the Pacific regions. [end recording]

Ortega Denounces LA PRENSA, Guardsmen

PA1704213389 Managua Radio Sandino in Spanish 2025 GMT 17 Apr 89

[Text] President Daniel Ortega has issued a serious warning to LA PRENSA, the newspaper that has been inciting some sectors of the Nicaraguan people and the Somozist guardsmen who were pardoned recently. The president also criticized the sabotaging attitudes of the Honduran and Salvadoran presidents toward the Central American peace agreement. President Ortega headed a march of 30,000 residents of Leon who yesterday commemorated the 10th anniversary of the death of the heroes of Veracruz.

[Begin Ortega recording] The Somozist Guard newspaper, the Yankee newspaper—the Somozist Guard has always had a newspaper, it never disappeared; NOVEDADES became LA PRENSA, so the Somozist Guard has its newspaper—has now begun to write beautiful things about the guardsmen and to interview the Somozist guardsmen: poor Somozist guardsmen now that they have been victims of the Sandinists. LA PRENSA has forgotten that that same Somozist Guard killed Pedro Joaquin Chamorro. Why? Because it is receiving money from the Yankees, dollars from the Yankees, and that turns them into spokespersons for the Somozist Guard.

They have gone so far as to say that these Somozist guardsmen must begin to demand that the people give them homes and land that since the triumph of the revolution have been in the hands of the people. Here in Leon there are some houses that belonged to those Somozist guardsmen, but today those homes are in the hands of the people. There are also parcels of land in the city and urban areas, in the cooperatives, that belonged to Somozist guardsmen. It is one thing for us to be generous and pardon them so that they can enjoy their freedom, but it is another thing for them to want to

regain the power they had in the past. Since 19 July 1979, that power has been in the hands of the Nicaraguan people. [end recording]

LA PRENSA Explains Electoral Law Reforms

PA1704153889 Managua LA PRENSA in Spanish 12 Apr 89 p 2

["First Part" of unattributed LA PRENSA article: "Electoral Law Reforms"]

[Text] As is publicly known, last week the 14 opposition political parties presented a list of demands for Electoral Law reforms to President Daniel Ortega to ensure government compliance with the commitments made at Tesoro Beach, El Salvador. President Ortega, in turn, submitted a bill for Electoral Law reforms to the National Assembly. An ad hoc Assembly commission is studying this bill, which is expected to come up for review at Thursday's Assembly meeting. To show our readers the differences between the government and opposition suggestions, we made a study using a chart to outline the differences between the reforms demanded by the opposition and those reforms proposed by Ortega to the current Electoral Law. Our study uses as a basis those reforms demanded by the opposition, but also includes Ortega's proposed reforms. We thus intend to highlight the differences in opinion that exist between the government and the opposition regarding Electoral Law reforms, which will affect the freedom, fairness, and honesty with which the election process is carried out in Nicaragua.

The chart does not include the demands for social, political, and economic guarantees that the Group of the 14 expressed in its document.

In view of the complex nature of this project, it will be published in several parts.

Current Law:

Article 5. (Electoral Organizations) Only included here are the Supreme Electoral Council [CSE], the Ballot Receiving Boards, and other groups within the Supreme Electoral Council.

Article 6. The Supreme Electoral Council is composed of five magistrates and their respective alternates elected by the National Assembly from a list of three candidates proposed by the president of the republic. The CSE president is chosen by the National Assembly from elected CSE magistrates; two of the lists of three candidates will be proposed by the political parties that placed second and third in the elections.

Article 7. (Requirements to be a CSE magistrate)
1. A native of Nicaragua.
2. A person fully exercising his civil and political rights.
3. A person of at least 25 years of age.

Article 10. (CSE Duties)

Article 12. An alternate will replace a magistrate in his absence. However, if the absence is permanent, the president will send a new list of three candidates to the National Assembly so that it can choose a replacement for the magistrate in accordance with Article 6. If the person absent is the CSE president, another magistrate chosen by the CSE will replace him. However, if the CSE president's absence is permanent, the National Assembly will choose his replacement. If an alternate is absent, then he will be replaced in accordance with Article 6.

Article 13. (CSE Quorum)

It is formed by three of its members. Decisions are made by the absolute majority vote of members present. The president casts a second vote in the event of a tie.

Article 16. (Duties of the four CSE magistrates, with the exception of the president, whose duties are listed in Article 15)
1. To participate in the meetings and in the CSE decisionmaking process by expressing opinions and voting.
2. To help the president in fulfilling his duties.

Article 17.

To create Electoral Councils composed of one president and two members with their respective alternates appointed by the CSE from a list of three candidates from various parties.

Article 19. The president and members of the Electoral Councils will have to meet the requirements listed in Articles 7 and 8 of this law.

The alternate members will participate in the council in the event of temporary or permanent absences on the part of any of the principal members.

The CSE will replace the president, principal, and alternate members of the Electoral Council if their absence is permanent.

Article 20. (Duties of the Electoral Councils)

Only applicable to the nine Regional Electoral Councils created in Article 17.

Article 21. The Electoral Council quorum is formed by the majority of its members. Decisions can be made by two members. The president casts a second vote in the event of a tie.

Article 22. The president convokes, presides over, and represents the Electoral Council. He will run the regional electoral organization and will propose the appointment of auxiliary personnel to the CSE.

Article 24. An adequate number of Ballot Receiving Boards [JRV] will be established in each region so that people can register and vote. The CSE will establish the demarcation of each JRV through an administrative resolution.

Article 25. These JRV's will be composed of a president and two members with their alternates, who will be at least 18 years old.

Article 26. JRV members will be appointed by the Electoral Councils. The president and one member will be freely elected, and the other member will be proposed by the political parties represented at the National Assembly. (Most representatives are members of the ruling party.)

Article 27. The JRV quorum will be formed by the majority of its members.

Government Proposal:

Article 5. There is no change to it.

Article 6. It remains almost the same, with the difference that two of the three lists of candidates will be chosen by the political parties with legal status. (The ruling party will choose the other list of three candidates.)

Article 7. There is no change to it.

Article 10. There is no change to it.

Article 12. There is no change to it.

Article 13. There is no change to it.

Article 16. There is no change to it.

Article 17. The nine Electoral Councils will continue normal operations, except that one of the council's members and his alternate will be members of a party other than the ruling party and with legal status.

Article 19. It remains the same, except that the second member (principal and alternate) must be chosen from one of the lists of three candidates proposed by the parties with legal status and other than the ruling party. (The government has a majority.)

Article 20. There is no change to it.

Article 21. There is no change to it.

Article 22. There is no change to it.

Article 24. There is no change to it.

Article 25. There is no change to it.

Article 26. One of the members must be chosen by the parties with legal status. (Since the ruling party is not excluded, it is clear that it does not have the right to be a full member.) [sentence as published]

Article 27. There is no change to it.

Reforms Demanded by the Opposition:

Article 5. Also creates the Regional Electoral Councils and the Departmental Electoral Councils.

Article 6. The CSE will be composed of five magistrates with their respective alternates chosen by the National Assembly from lists of three candidates proposed by the president of the republic. The National Assembly will choose the CSE president from the magistrates who were selected; four lists of three candidates will be proposed by the National Assembly of Political Parties. The fifth list of three candidates will be freely proposed by the government.

Article 7. (Requirements to be a CSE magistrate)
1. To be Nicaraguan by birth, with Nicaraguan parents.
2. The same as the current law.
3. The same as the current law.

Article 10. To add a new point that states: "To direct the electoral policy."

Article 12. In the event of death, resignation, or an inability to continue as a CSE magistrate, he will be replaced by his alternate; if he also fails to perform his duty, then he will be replaced in accordance with procedures established in Article 6.

Article 13. The quorum is formed by three of its members. Decisions are made by an absolute majority of CSE votes. The president is not entitled to cast a second vote in the event of a tie.

Article 16. Each CSE magistrate will have access to the ballot counting room and ballot counting documents at any time. The magistates can request any information from any of the electoral organizations. They will be helped expeditiously. Anything to the contrary will be punished by law.

Article 17. The creation of nine Regional Electoral Councils and as many Departmental and Municipal Electoral Councils as there are departments and municipalities, in accordance with the law. These councils will be composed of one president and two members. The CSE will appoint the members to the regional councils. The Regional Councils will appoint the members to the Departmental Councils, and the Departmental Councils will appoint the members to the Municipal Councils. The Municipal Electoral Councils will appoint JRV members in their respective municipalities. All this is in accordance with what is established in Article 6.

Article 19. There are no changes. (This article refers to prerequisites and procedures for members of the Electoral Councils and not to the way that they should be appointed or to their political beliefs.)

Article 20. The same established by the law but for each of the Regional, Departmental, and Municipal Councils.

Article 21. The quorum and the decisions of all electoral organizations are formed with the majority of its members. A new point or article is added establishing that the post of president of the various councils and JRV's will be equitably represented from among the various parties participating in the elections.

Article 22. The same, except that in the event of a need for auxiliary personnel, they will be appointed by the CSE but proposed by the other councils.

Article 24. There must be JRV's in each region and municipality.

Article 25. The JRV's will be composed of three members with their alternates appointed by the Municipal Electoral Councils.

Article 26. It only states that the president will be appointed by the Municipal Electoral Council.

Article 27. Should be eliminated.

Part 2 on Electoral Reforms

PA1704171189 Managua LA PRENSA in Spanish 13 Apr 89 p 2

["Second Part" of unattributed LA PRENSA article: "Electoral Law Reforms]

[Text]

Current Law

Article 28. The seven duties of the Ballot Receiving Boards [JRV].

Article 29. Each party, alliance, or political group has the right to appoint an inspector and his alternate, who will represent the party or political group before the Supreme Electoral Council [CSE], the CE [Electoral Council], and the JRV during the registration of party members and during the voting and vote counting process.

Article 30. The seven duties of the inspectors.

Article 35. The military's right to register and vote at the stations to which they have been assigned.

Article 37. Outlines how a citizen can register, the identification papers required, and how a citizen can register with the help of witnesses if he does not have the required documents.

Article 40. The Electoral List will be prepared in duplicate. The CSE will keep one and the CE will keep the other.

Article 43. Contents of the civic identification booklet.

Article 44. The CSE is authorized to improve the design and format of the Electoral List.

Article 49. What to do when the civic identification booklet is destroyed or gets lost.

Article 52. It establishes 11 political parties' rights.

Article 54. The National Assembly of Political Parties is a consultation service for the Political Parties Council.

Government Proposals

Article 28. There is no change to it.

Article 30. Limits the right [to be inspectors] and to participate in voting and vote counting to those parties that have registered candidates.

Article 35. Establishes the military's right to register and vote at the places assigned to them. Those outside the country can register at consulates but must vote in Nicaragua. (This denies the right to vote abroad.)

Article 37. There is no change to it.

Article 40. There is no change to it.

Article 43. There is no change to it.

Article 44. There is no change to it.

Article 49. There is no change to it.

Article 52. There is no change to it.

Article 54. There is no change to it.

Reforms Demanded by the Opposition

Article 28. Adds two duties: (8) Provide the parties with a copy of the list of those registered at the end of the registration period; and (9) Make a copy of the memoranda concerning the installation of the JRV's and the conclusion of the voting and vote counting period.

Article 29. The right belongs to all election organization members.

Article 30. It adds the right of the inspectors to be present in the vote-counting rooms of the National and Regional Computation Centers, to receive a copy of all memoranda signed by the proper authorities, to demand

that all observed irregularities be recorded in the memoranda, and to sign the memoranda. The absence of the inspectors' signature on a memorandum signifies rejection.

Article 35. In its preamble on election conditions, it denies the active military the right to vote.

Article 37. The registration will be carried out after the population census has been taken and after the issuance of election identification papers has been completed. (Foreign experts have expressed the belief that it is possible to do both prior to registration.)

Article 40. Four copies of the Electoral List will be prepared. The CSV [expansion unknown], the CRE [Regional Electoral Council], the CDE [Departmental Electoral Council], and the CME [Municipal Electoral Council] will each have a copy.

Article 43. Eliminated.

Article 44. Thirty days prior to registration, the CSE will report to the registered parties the total number of JRV's and the territory covered by each.

New Article. Those residing outside the country can register and vote at the Nicaraguan consulates and embassies on the same dates stipulated for those living inside Nicaragua. This article establishes the bylaws for this. Those living abroad cannot vote in the municipal elections or in the autonomous Atlantic coast regions.

Article 49. Eliminated.

Article 52. Establishes 13 rights of the political parties, creating the right to publish newspapers, books, magazines, pamphlets, leaflets, and placards, and to distribute propaganda through the aforesaid publications and also through television and radio stations and films.

Article 54. The National Assembly of Political Parties will regulate the parties as institutions and will serve the CSE as a consultation service.

EPS Reportedly Disbands Contra Group

PA1804022689 Managua Radio Sandino in Spanish 1930 GMT 17 Apr 89

[Text] Celedonio Pineda Gonzalez, alias Cadejo, was killed along with two other mercenaries by Sandinist People's Army [EPS] troops in Colon Abajo, 32 km east of Esteli. Also captured and wounded was Auxiliadora del Socorro Palacios, 18, from Santa Babara, San Rafael del Norte municipality, who joined the contra group on 15 March.

The EPS troops seized one FAL rifle, one Chinese-made AK rifle, and (?nine) M-79 grenades. Along with the group's leader Cadejo, the EPS killed Santos Corcegano from San Jose de Bocay and Andrea Ubeda from Colon Abajo. Three other members of the seven-member group were wounded but escaped.

Cadejo's group killed several peasants in La Horqueta, Los Carbonales, La Ermita, and Namangui. Mentioned among their activities were the killing of Marvin Zeledon, the kidnapping of Zulema Gutierrez, and the burning of a tobacco storage shed in El Coyolito on 8 December.

Auxiliadora del Socorro Palacios, who was wounded and captured by reservists from Battalion 6462 of Esteli and reservist [name indistinct], said the mercenary group had disarmed several peasants in areas near Yali and San Rafael del Norte because they had no weapons. Moreover, because they lacked logistical support, the contras stole radios, watches, and tape recorders, which they resold to the same peasants from whom they had stolen them. They said the group planned to go to Honduras within 10 days to resupply themselves and return to the Segovia area to continue their nefarious activities.

According to Captain Jose Angel Amador, who led the EPS attack, the disbanded contra group belonged to the Maritza Zeledon task force of the Salvador Perez Counterrevolutionary Regional Command.

Contras Reportedly Kill 7 Near Bluefields

PA1704154189 Managua Radio Sandino in Spanish 1200 GMT 17 Apr 89

[Text] Citing military sources, a PRENSA LATINA report has stated seven people were killed and one is missing as a result of a contra attack on a boat navigating the Kurinwas River on 15 April. The attack took place approximately 200 km northeast of Bluefields on the south Atlantic coast of Nicaragua.

According to PRENSA LATINA, the contras attacked with RPG-7 mortars for several minutes. The PRENSA LATINA report adds that a Nicaraguan Interior Ministry office in Bluefields said three of the casualties were Interior Ministry officials and the other four were reservists. The report adds that the men were heading to Laguna de Perlas Basin on an outboard motorboat.

Opposition Letter to Obando y Bravo on Dialogue

PA1704201689 Managua Radio Corporacion in Spanish 1200 GMT 17 Apr 89

[Letter from the 14 opposition parties to Cardinal Miguel Obando y Bravo issued in Managua on 15 April]

[Text] Managua, 15 April 1989
His Emminence
Cardinal Miguel Obando y Bravo
President of the National Reconciliation Commission

Managua, Nicaragua

His Emminence,

The 15 [as heard] political parties and groups, which comprise the Nicaraguan civic opposition, are deeply concerned about our country's current political situation, and address you to express the following:

1. We are aware that President Daniel Ortega's commitment, expressed in the joint declaration signed in El Salvador, forces him to promote the democratization and national reconciliation process in Nicaragua within the framework of the Esquipulas II Agreement. President Ortega is committed to guaranteeing that the opposition political parties can organize and fully participate in the election process and that the composition of the Supreme Electoral Council will be balanced by opposition political party representation.

2. We inform you that President Ortega ignored the political and social demands as well as the demands for Electoral Law reforms presented by our organizations on 5 April. We also studied the government-sponsored electoral reform bill and found that it does not fulfill the commitments previously made by President Ortega, because, among other things, the Electoral Council continues to depend on the Executive Branch. Similarly, the suggestions presented by the Costa Rican and Venezuelan electoral tribunals or councils—which were requested by the Nicaraguan Government itself—were not taken into account.

3. We inform you that the special National Assembly commission to debate the electoral reforms was completely biased in favor of President Ortega's electoral reform bill. An independent member of that commission resigned and released a report on the special commission's arbitrary and biased procedures favoring Sandinist interests. The government's methods blatantly violate President Ortega's commitments.

4. We point out that, as established in the Esquipulas II Agreement and the Alajuela and El Salvador declarations, the National Reconciliation Commission is the organization most competent to verify the progress made in the fulfillment of the Central American presidents' political commitments.

Based on the above statements, we address you to inform you that President Ortega's actions violate the Central American agreements.

5. We are convinced that the Nicaraguan Government's failure to comply with the commitments made in the Esquipulas II Agreement and the Alajuela and El Salvador declarations and its unilateral actions that tend to ignore Nicaraguan public opinion will worsen the already painful and dramatic social and political problems Nicaragua is facing.

6. For the above reasons, we again express our willingness to hold a dialogue with the government to find a solution to the current crisis. Consequently, we ask you—as president of the National Reconciliation Commission—to inform President Ortega of our willingness to hold talks and of the need for him to call a dialogue as soon as possible. In that way, the Nicaraguan Government and the united opposition could reach joint agreements based on our political and social demands and on our 5 April request to reform the Electoral Law. To facilitate this patriotic goal, the Group of 14 will appoint a special negotiating commission.

Using this opportunity to reiterate our respect and appreciation,

Sincerely yours,

14 Nicaraguan opposition political parties

Embassy Reports Plans for Interoceanic Canal

PA1804034089 San Jose LA REPUBLICA in Spanish 14 Apr 89 p 6-A

[Unattributed report: "Nicaragua Would Hold 51 Percent of Canal Shares"]

[Text] Because the interoceanic canal that Nicaragua proposes to build would cost approximately $25 billion, a sum that the country is unable to finance, the Managua Government has thought of the idea of creating an international enterprise in which Nicaragua would hold 51 percent of the shares.

This would be so because Nicaragua would be contributing its territory in lieu of financing. "The objective," a bulletin issued by the Nicaraguan Embassy in Costa Rica stated, "would be to seek balanced participation from all the world's regions, giving the Third World nations the possibility of becoming shareholders."

The Sandinists justify this financing option and the construction of the project itself based on the fact that it could become a means for regional integration, "because the Latin American nations could have greater participation in world trade."

Because from a political standpoint this project has aroused concern in Central America and the international community, the Sandinists have said that the canal "would be exclusively for civilian use."

Stating that "military bases, warships, and any other military uses would be prohibited," the Sandinists insist on carrying out the canal idea, which goes back to the beginning of the century.

From the information supplied by the embassy, this project would not only to a great extent solve Nicaragua's economic problems but also its political problems, because "Nicaragua is seeking support from the entire international community, including the United States.

For the new U.S. administration, this provides an opportunity to break with the policy of the past, normalizing its relations with Nicaragua and opening a new era of communication."

Panama

Solis Palma on Opposition, U.S. Sanctions

PA1704184189 Panama City CRITICA in Spanish 17 Apr 89 pp 1, 18

[Report by Euclides M. Corro R.]

[Text] Panamanian President Manuel Solis Palma said that for the opposition, "the elections are just a means of creating discontent and unrest among the people."

He added that "they know that two things are very clear: First, they know that they cannot win; and second, that should they assume power, they will not be able to govern."

Solis Palma clarified: "History is against them, and they will not be able to carry out their plans. Their policy of wanting to destroy the Panama Defense Forces by force—pardon the redundancy—in order to clear the way to moving the clock several years backward is completely unrealistic."

"What is worse is that history relentlessly proves that whoever tries to push the clock backward must suffer the consequences sooner or later," Solis Palma insisted.

Solis Palma was present yesterday at a political gathering organized to celebrate Democratic Revolutionary Party legislator Lucho [Luis] Gomez' birthday, which was attended by more than 4,000 party members. Also present were COLINA [National Liberation Coalition] vice presidential candidate Aquilino Boyd and San Miguelito Mayor Osvaldo Castro.

Regarding the approval of U.S. sanctions against Panama, Solis Palma said that this was expected because "the Bush administration continues to be essentially the same as the Reagan administration."

"We, the Panamanian people, are capable of resistance and of expanding and radically improving our economy, because we know that we have survived the first phase [of U.S. sanctions], which was the most critical period," Solis Palma concluded.

Solis Palma Says 500,000 To Attend 5 May Rally

PA1704181589 Panama City MATUTINO in Spanish 17 Apr 89 p 1

[Report by Jaime Enriquez Beitia]

[Text] Panamanian President Manuel Solis Palma said that on 5 May, the National Liberation Coalition [COLINA] will hold a major rally and that COLINA will win the elections.

On that day—the Panamanian president said—half a million people will be at 5 May Square for opposition observers to see and then go blind and stay blind for the rest of their lives.

Solis Palma said that there have been many appeals for foreigners to come and witness the forthcoming 7 May elections, at which, according to the president, COLINA will win by a broad margin.

Solis Palma based his optimism on his trust in the Panamanian people and public employees, who form the most important constituency in the elections.

The 5 May rally will be the most important and final COLINA rally prior to the elections and will demonstrate its ability to lead the people to victory on 7 May.

Solis Palma said that if the country's future were not at stake, he would not be asking public employees to work for a particular candidate. However, on this occasion, there is no alternative: "Either we are Panamanians or we are traitors to the fatherland," he said.

COLINA Supports Church Position on U.S.

PA1704190489 Panama City LA ESTRELLA DE PANAMA in Spanish 17 Apr 89 pp A-1, B-1

[Unattributed article signed in Panama City on 15 April: "The Churches' Attitude Against U.S. Aggression Is Moral; 'COLINA Identifies Itself With That Position'—Boyd"]

[Text] The Panamanian Catholic Church has proved its noble pastoral ministry on the various occasions when it has commented on the current Panamanian political situation, particularly the situation's essential moral issues.

Panamanian Monsignor Marcos Gregorio McGrath and the Panamanian Episcopal Conference have been especially sensitive to the devastating and inhuman effects of the economic aggression on the Panamanian people, especially the most needy, downtrodden, and humble groups, which represent the Panamanian majority. The Church has criticized the United States for the unjust actions it is committing against our country. The Church's position and efforts to help and comfort our people deserve our deepest recognition.

Similarly, the Anglican primates—including Nobel Peace Prize winner Archbishop Desmond Tutu, who visited our country—vigorously called on the United States to immediately end the sanctions imposed on Panama so the unjust treatment can end, the overwhelming domestic problems can be sorted out, and Panama can begin facing its problems as a sovereign, independent nation without any foreign oppression or interference." [no opening quotation marks as published]

With the spiritual authority bestowed upon him, Apostolic Nuncio Monsignor Sebastian Laboa has clearly noted the serious lack of ethics in the U.S. aggression against our people and has categorically condemned the ill-fated U.S. policy toward Panama.

Those clear, moral, forceful statements made by the Christian churches strongly differ from the manifest silence of the Panamanian opposition leaders. Instead of condemning the merciless U.S. economic aggression—which has resulted in many innocent victims and great suffering for the Panamanian lower classes, not to mention increased unemployment and worsening social problems—the opposition leaders limit themselves to political arguments during the current election campaign, with the sole purpose of obtaining votes out of resentment and desperation. They, who proclaim themselves as champions of decency, are acting with great indecency against our people and homeland.

We, the members of the National Liberation Coalition (COLINA) fully identify ourselves with the serious, responsible, and truly Christian and humanitarian statements of the church.

We fully shared the church's upright attitude regarding the moral responsibility of the authors of the aggression against our country and people, and we reject the position of those politicians who do not see beyond their noses and their selfish interests and who have been supporting the ill-fated aggression against our country in many, well-known ways.

To the greater shame of those opposition politicians, even distinguished U.S. figures point to their responsibility in the U.S. aggression against Panama.

Former U.S. Ambassador to Panama Ambler Moss clearly told THE WASHINGTON POST that the economic sanctions "are an expression of arrogance and contempt toward Panama" and that they have impoverished our people. Moss also mentioned the way in which the United States is politically manipulating Panama through "a handful of wealthy Panamanians and their politically influential lawyers in Washington."

Those wealthy Panamanians represent and act on behalf of the Panamanian political opposition without presenting any realistic solutions to our problems. With shameful indignity, they are demanding foreign intervention and the violation of our homeland's sovereignty.

On behalf of COLINA, I urge my compatriots to reflect—calmly, with serenity, inspired on the moral ministry of the church, and above all with a sense of justice and patriotism—about our actions and the urgent need to maintain peace among Panamanains, because we are all God's children and our duty is to bequeath our children with a more humane, stronger, and freer homeland.

Charles Malik, a great ambassador to the United Nations, once said: "The world's needs are much deeper than political freedom, security, democracy, and progress.

"The world's needs belong to the sphere of the human mind, heart, and spirit; and that sphere is only penetrated by God's light and grace."

Carlos Duque is a fervent believer, and Panama will find a great president in him.

Panama, 15 April 1989

CAPEL Will Not Send Election Observers

PA1804000989 Panama City ACAN in Spanish 2241 GMT 17 Apr 89

[Text] San Jose, 17 Apr (ACAN-EFE)—The Electoral Advice and Promotion Center [Centro de Asesoria y Promocion Electoral, CAPEL] will not send observers to the 7 May elections in Panama nor will it authorize the presence of its officials acting on their own at these elections.

Sonia Picado, director of the Inter-American Human Rights Institute (IIDH), made this announcement in Costa Rica today.

CAPEL, a specialized organization within the IIDH, based this decision on the fact that the Panamanian Government has not officially invited the institute nor offered the guarantees and facilities that the institute requested 1 week ago to undertake this task.

According to sources from both IIDH and CAPEL, which are connected to the Inter-American Human Rights Court and to the OAS, some IIDH and CAPEL members received personal invitations to observe the elections but not as members of these two organizations.

Last week CAPEL notified Panama's Electoral Tribunal of its interest in sending official observers to the elections, who would pay their own expenses and publish their observations. However, the center did not receive a reply to its proposal.

As is customary, the mission that CAPEL was going to send should have had access to the polls and to the vote counting centers as well as permission to meet with individuals or institutions it deemed appropriate, but the Panamanian authorities have not authorized this access.

The mission would include 30 to 40 observers who would remain in Panama from 3 to 10 May to organize the logistics of the mission and to carry out its work a few days prior to the elections, during the elections and vote tabulation, and 3 days after the elections.

Sonia Picado said that she made the announcement to clarify reports published by the media of several countries with regard to sending a CAPEL mission to observe the elections.

No Authorization for Information Office Planned

PA1704195089 Panama City LA ESTRELLA DE PANAMA in Spanish 17 Apr 89 pp A-1, B-2

[Article by Claudio Herrera J.; quotation marks as published]

[Text] Center for Democracy President Allen Weinstein said here that the Electoral Tribunal did not clarify that authorization was required to open an unofficial election information center during the elections.

Weinstein visited the offices of LA ESTRELLA DE PANAMA to explain a report published here entitled "Illegal Election Information Office," which, he feels, refers to his activity in Panama.

He recalled his visits to Panama which, he stressed, included talks with Electoral Tribunal magistrates on two occasions, as well as meetings with members of the Strategic Military Council, COLINA [National Liberation Coalition] candidate Carlos Duque Jaen, and ADOC [Civic Democratic Opposition Alliance] candidate Guillermo Endara Galimany.

He noted that the Senate's Western Hemisphere Affairs Subcommittee entrusted his office with the drafting of a report on the preparations for the Panamanian elections.

He added that his presence in Panama coincides with the opening of an "informal election information center that will not infringe on the objectives of the Electoral Tribunal. "For example, I invited candidates Duque, Endara, and Nicosia to set up tables and make personnel available to inform visitors and international delegates about the elections, their plans and platforms.

We also asked the Electoral Tribunal to supply pamphlets or information booklets to instruct visitors on the elections.

Weinstein established an office at the Marriott Hotel and noted that he was getting ready to receive a Salvadoran Congress representative and delegates from the European Council. He said that his office will be open as of 1100 today.

He maintained that in his two talks with the Tribunal's magistrates—in the first half of March and from 30 March to 13 April—he explained his intentions to them. He added: "No one told us that we had to have official approval to carry out our activities."

He referred to statements by the director of the Electoral Tribunal Public Relations Office that there was an official group of observers, but he failed to mention that authorization was required to come here and open an office.

However, Weinstein emphasized that if authorization is required, he will request it, because he does not want to violate Panamanian law.

He said that he met with General Manuel Antonio Noriega in April and discussed the restoration of peace and the dialogue between Panama and the United States. He also met with the Strategic Military Council last year.

He noted that he visited Nicaragua at the invitation of the Nicaraguan Government. He met with President Daniel Ortega and discussed the participation of the Center for Democracy in the process to observe the 1990 general elections.

Solis Says Center Forbidden

PA1704235489 Panama City ACAN in Spanish 1821 GMT 17 Apr 89

[Text] Panama City, 17 Apr (ACAN-EFE)—Panamanian President Manuel Solis Palma said today that a "parallel," computer-operated, vote tabulation center that has been set up by a U.S. organization to tally Panama's 7 May election results will not be allowed to operate.

Solis said: That center "is not authorized and will not be allowed to operate. We have an electoral tribunal, and no one is going to come here to set up another one."

The president made his announcement this morning, a few minutes after Allen Weinstein, a U.S. citizen and president of the "Center for Democracy," announced the installation of a computer-based elections monitoring system in a Panama City hotel.

Solis said that he expects that the police authorities, on instructions from the Electoral Tribunal, will take measures within the next few hours to prevent the computer center from operating.

Weinstein, a history professor at Boston University, presented the system at a ceremony attended by Panamanian opposition leaders. He said that the "Center for Democracy" has already operated in Nicaragua, El Salvador, Costa Rica, the Philippines, and other countries.

The U.S. citizen said that the system is designed to gather as much information as possible on the 7 May elections to pass it along to interested observers and newsmen who are covering the elections.

Weinstein said that the center would like the cooperation of the Electoral Tribunal and the various candidates to provide "well-balanced information."

ADOC Candidate Endara Addresses Businessmen
PA1804043689 Panama City LA ESTRELLA DE PANAMA in Spanish 16 Apr 89 pp A-1, D-7

[Report by Juan Carlos Duque M.]

[Text] Guillermo Endara Galimany, presidential candidate of the Civic Democratic Opposition Alliance [ADOC], has reiterated his willingness to participate in a dialogue with the citizens to seek appropriate ways of facing the challenge of democratization, reconciliation, and national reconstruction.

Speaking at the 23d Annual Conference of Business Executives (CADE), Endara addressed members of the Panamanian Association of Business Executives and local and foreign newsmen. His speech was filled with promises, criticism, and warnings to his supporters about the electoral process. He also stressed key points of his government platform.

"Nothing is more important than returning to a democratic government," the ADOC candidate said. He underlined his concerns about the country's current situation.

Endara said the country's reconstruction demands a "calm, firm, respectful, and decisive" political leadership. He criticized individualism, partisanship, and arbitrary decisionmaking, and he pledged to end personality cults.

"No person and no political party can claim to have all the answers, much less to represent our nation, nationality, or republic," he said. He continued by saying that "no single ideology is the solution in an era as complex as ours."

Endara stressed the need for a government coalition that will show tolerance of its opponents, that will offer feasible alternatives, and that will unite the country. He said that if a political coalition represents a tradition of public service, is linked to the Republic's most significant achievements, and is based on the people's deep-rooted desires, it will be able to promote "a national concerted effort and the reconstruction of democracy."

The presidential candidate extolled the ADOC as having liberal strength and as including nationalists, progressive rightists, Christian Democrats, and Arnulfists, thus forming the "melting pot of Panamanians supporting the Civic Crusade."

Further explaining these concepts, he said they are the base of ADOC's platform, which is "supported by independent groups and by many state officials who want a democratic solution to the crisis."

Endara, a disciple of the late Dr Arnulfo Arias Madrid who participated in the revision and modification of the 1972 Constitution by representing Dr Arias on the constitutional review commission, cited the ten most important points of his government plan.

The first is "a legal state framework" that would not persecute anyone, would not demand "special privileges," and would enjoy an independent and competent judicial branch. He promised to repeal laws that restrict freedom of expression, to allow all newspapers to publish, and to reopen radio stations.

He also stressed the national budget, development and public debt, the education problem, public health, agriculture, foreign policy, policy toward the United States, the Armed Forces, and the administration of justice.

Regarding the Armed Forces, Endara advocated an Armed Forces that operate within the law, which will guarantee a republican system of government.

"Military men must keep their political rights, but these rights must be the same ones which are accorded to all other citizens," the ADOC candidate said.

Endara explained that Panamanians want a policy from the new government regarding the Armed Forces that "will definitely determine relations between the state and the public force." He stressed that "this is the crux of the problem: To establish that there is a single republic, a single state, a single government, and a single will—that of the people."

Although the opposition candidate was sharply criticised for his past experience, he was also conciliatory, affirming that most of the Panama Defense Forces [FDP] members would agree with a democratic plan "to bring peace and progress to all Panamanians."

He reiterated the ADOC's position that a highly professional public force is necessary for national defense and public security. He said the ADOC government plan includes respect for the FDP's institutional integrity under a legitimate civilian authority.

Regarding the national budget, Endara said no vital need will suffer as a result of favoritism or an unplanned allocation of resources. He noted that an interrelation of economic sectors will allow third parties to subsidize agriculture and industry, as is the case in other nations. He criticized the "promissory notes," saying that this practice contributed to lining the pockets of private citizens.

Endara added that government spending will be closely related to economic recovery and growth, stressing that his government will renounce lavish projects, reduce waste, and promote national production. He recognized the role of private education in the country, saying that although it fills a national need, "it is not the solution for the majority of Panamanians." Endara called for the state to provide new schools or grant scholarships for private schools. This would give all Panamanians access to education, "regardless of their race or financial situation."

He praised the role of traditional schools such as the National Institute, the J.D. Arosemena Teachers School, the Arts and Crafts School, the Professional School, and the Abel Bravo and Felix Olivares Schools, which he described as "pillars of nationality."

Discussing health, he echoed the current government's motto: "Equal health for everyone," but he prefaced the slogan with one word: "Truly."

Endara said it is necessary to rid the medical system of bureaucracy and to rescue this sector from "unscrupulous merchants." He called for a balance in the state's and Social Security system's contributions to the health field.

He said that the country's future was dependent upon the drafting of an agricultural development plan that involves the "human solution." He described the countryside as broken and abandoned, in contrast with the congested and diseased metropolitan area "where construction and public employment cannot resolve the unchecked population growth."

He said prerequisites for solving this problem are financing to increase production, stable prices for basic products, adequate marketing of agriculture products, and support for exports, but "in a real manner, not like the mere propaganda of these past few years."

He added that the state enterprises must be managed professionally, saying that embezzlement and deals "will disappear."

Turning to his coalition's foreign policy, the ADOC candidate noted that a change will be visible immediately. He criticized the fact that a country supports Third World positions "only to get political support wherever it can," kneels before Arab money, supports Israel to receive favors, or bargains with the lives of Iranians to take advantage of a fallen monarch.

"We are going to return to the democratic countries of the Caribbean," he said, adding that his government would cooperate with the international community to eliminate the drug trade and would reestablish ties with European countries.

On the prospects of relations with the United States, he said the current policy has been defective for the past 20 years. He said the regime lost its independent policy "by continually asking for money from the United States for any reason."

He labeled the current use of reverted areas "treasonous" and promised that his government, in the Arnulfist tradition, will adopt a nationalistic, independent, and honest policy.

"Our interests do not lie in servitude, and our opponents know we can teach them a thing or two about sovereignty," Endara said, emphasizing that he is not ready for the Soviets, who do not even accept perestroyka, to teach us about nationalism.

Endara's opinion on the judicial system showed clear concern for the independence of this branch of government. He described the judicial system as "the basis of legal order" and promised that his government would give it priority attention.

He said it is urgent for the country to have an independent and competent judicial system "answerable only to the Constitution and the law."

Delving further into the subject, he said Panamanian citizens and foreigners must feel protected by an impartial and independent judicial system that guarantees individual and collective rights and that stops abuse and actions other than those established by the Constitution and the law.

Endara criticized the absence of COLINA [National Liberation Coalition] presidential and vice presidential candidates from CADE 89, saying that "pretending to diminish the quality of this forum is like trying to deny the recent history of our public debate." He was referring to the presence of FDP officers in CADE 87.

"It is unreasonable to ask for votes if one is not prepared to publicly confront one's opponents," he said.

Endara urged his supporters to vote and explained the importance of this election. He said the possibility of change is based on three points: "Those who do not vote are actually voting for the government, everyone must vote, and those who cannot vote must join the voters and participate in defending victory."

He emphasized that rancor and vengeance are not part of ADOC's platform, but the latter does include "pride in a democratic republic and the conviction that unlimited power ends by humiliating everyone around it, allies or rivals."

Columnist Says Eleta 'Paying' for 'Wrongdoings'
PA1704201989 Panama City CRITICA in Spanish 17 Apr 89 p 31

["Hardline" column by Alberto Barrera: "That Is How All Seditious Ones Fall; The Devil Pays With Hell All Those Who Serve Him Well"]

[Text] Those who constantly preach the tenets of morality and even claim to be severe judges of honesty are, paradoxically, corrupt and perverted.

Such is the case of Carlos Eleta Almaran, allied with the seditious Civic Democratic Opposition Alliance [ADOC], in collusion with Arthur Davis and John Maisto, whose objectives are to create chaos in our country, destroying all the achievements of the revolutionary process.

There is a very popular adage, filled with wisdom: "If you do wrong...you pay for it."

Carlos Eleta Almaran was arrested, handcuffed, and shackled in the United States on the charge of trying to smuggle a shipment of cocaine worth $300 million into the United States.

Fortunately, he was arrested in that nation and not in Panama. Otherwise, despite the evidence on hand, the seditious ADOC and the Bush administration would have set up their machinery of disinformation to make it appear as if it were political persecution by our government.

Eleta is paying today for his wrongdoings, including the following:

1. With the intent to increase unemployment in Panama, and despite the millions of dollars amassed through money laundering, he laid off 80 RPC Channel-4 Television and RPC Radio employees who had worked for that company for more than 18 years, alleging the layoffs were the result of the crisis. However, Eleta's economic situation obviously was not desperate; one needs only to observe how quickly he had $8 million bail money available for his release.

2. Through the media which he controls, he sponsors all sorts of insult, slander, and disinformation campaigns against President Manuel Solis Palma and Panama Defense Forces Commander in Chief General Manuel Antonio Noriega—following foreign policies that, as an ironic stroke of fate, now have him behind bars in a U.S. prison.

3. Acting as his manager, he took over the funds of our boxing glory "Mano de Piedra" [Hand of Stone] Duran. In 1982, the media gave details on how Eleta took advantage of Duran.

4. He tried to take the Labor Party through the crooked paths of neocolonialism. This caused him to be expelled from that political organization.

5. Eleta and his brother (the Calafate [ship caulkers] brothers) engaged in a deal that went against the National Financial Corporation by presenting some cosmetically-altered dilapidated ships for which he received $7 million. Acting as a patriot, he took over the Balboa shipyard.

Today, no matter how many prayers are said in pharisaic masses [misas farisaicas], an honor he does not deserve, he is praying in a prison of the empire that protected him—because his greed for money, which is his god, was stronger than his loyalty to the country that took him in as its son.

PDC Legislator's Office Attacked 17 Apr
PA1704174789 Panama City Circuito RPC Radio in Spanish 1715 GMT 17 Apr 89

[Text] The political office of Legislator Carlos Arellano Lennox, candidate for reelection for the Christian Democratic Party [PDC], was attacked with Molotov cocktails this morning, but nobody was injured.

Explaining the attack, Arellano Lennox said such attacks seek to incite violence, but they will not be successful.

[Begin Arellano recording] These attacks seek to provoke certain reactions by us to create disturbances in the country. This would give them an excuse to suspend the elections. They do not want to hold the elections, because they know the people will smash them on 7 May. I urge all Panamanian voters to be calm and patient, because these things do cause irritation. I ask them to be calm and patient. The response to these acts of aggression will not come from us; it will come from all the people throughout the country on 7 May, when we will bury them with antigovernment votes. [end recording]

Money Laundering Suspects Released on Bail
PA1704232089 Panama City ACAN in Spanish 1801 GMT 17 Apr 89

[Text] Panama City, 17 Apr (ACAN-EFE)—Panamanian authorities announced today the release on bail of two executives of the Panama branch of the Colombian Banco de Occidente, which has been linked to the laundering of drug money.

Colombian William Guarin, local manager of the Banco de Occidente, and Panamanian Clara Garcia de Paredes, operations director, were released after posting $10,000 bail each.

According to statements made to ACAN-EFE today by Banco de Occidente sources, Guarin and Garcia de Paredes were released over the weekend, but they have not returned to their offices at the bank, which is regulated by the National Banking Commission (CBN).

The CBN, a government entity that regulates the financial activities of 120 banks in Panama, is conducting an investigation of Banco de Occidente, which is accused of involvement in the laundering of "drug trafficking dollars."

The Panama Defense Forces [FDP] and the U.S. DEA [Drug Enforcement Agency] conducted a joint operation at the beginning of this month, which ended in the arrest of over 100 persons and the confiscation of drugs, cash, and property in both countries.

Besides Guarin and Garcia de Paredes, Colombian pilots German Flores and William Rueda Perez were also arrested in Panama in this operation. The pilots, however, are still in prison.

Colombian Alonso Correa was also arrested and still remains in prison. He has been identified as an associate of Eduardo Martinez, the alleged "cashier" of the "Medellin Cartel."

Martinez fled Panama after learning from a television report that he was being sought by the FDP.

Media Directorate Summons Opposition Reporter

PA1704155089 Panama City Circuito RPC Radio in Spanish 1200 GMT 17 Apr 89

[Text] The Government and Justice Ministry's National Directorate of Social Communications Media has summoned Migdalia Fuentes de Pineda at 1500 today. She is a nationally known reporter who currently hosts the "Radio Press ["La Prensa Radial"] program—the mouthpiece of the Civic Democratic Opposition Alliance—broadcast on several radio stations. Migdalia Fuentes de Pineda is also the Nationalist Liberal Republican Alliance and Christian Democratic Party candidate for Pueblo Nuevo Corregimiento representative.

Argentina

Shining Path Reportedly Holds Meeting in Tucuman

PY1704134889 Buenos Aires TELAM in Spanish 1205 GMT 17 Apr 89

[Text] Buenos Aires , 17 Apr (TELAM)—Barry Melbourne Hussey, secretary of the COSENA [National Security Council], has confirmed that some weeks ago "members of the Shining Path (the Peruvian terrorist organization) participated in a meeting that was held in a Tucuman City hotel."

He added that "movements of the MPT [Movement for the Fatherland] have been detected throughout the northwest region of Argentina, and we are now trying to find out whether there is any type of connection" between the two groups.

Hussey said that "we are concerned about those events, but as advisers to the president we limit ourselves to an analysis of the matter, which we then turn over to the intelligence organizations so that they can work on it."

In remarks made to Radio El Mundo, he stated that "President Alfonsin is very concerned," and, when asked if an immediate action by subversive groups is expected, he answered: "Anything can be expected from those type of people."

'Popular Insurrection' Planned

PY1804023789 Madrid EFE in Spanish 0019 GMT 18 Apr 89

[Text] Buenos Aires, 17 Apr (EFE)—Vice Admiral Barry Melbourne Hussey, secretary of the National Security Council (COSENA), today said that Argentine President Raul Alfonsin "is extremely concerned" about a meeting held by the Peruvian Shining Path guerrilla organization in the northern part of Argentina.

Melbourne told a Buenos Aires radio station that Argentine intelligence services had reported that "Shining Path leaders held a meeting a few weeks ago in a hotel" in the city of San Miguel de Tucuman, 1,412 km north of Buenos Aires.

Melbourne added that "there have been reports of important movements" of members of the Argentine leftist All for the Fatherland Movement (MTP).

Most MTP leaders either died or were arrested on 23 January following their bloody attack on the 3d Army Infantry Regiment, which is based in La Tablada, on the outskirts of Buenos Aires.

The secretary of COSENA, an organization created by Alfonsin to advise the government in its fight against terrorism, said that "investigations are under way to determine if there are connections" between the Argentine leftists and the Peruvian guerrillas.

Alfonsin "is extremely concerned about this," Melbourne said. He added that "one can expect anything from the Peruvian terrorists."

In accordance with an intelligence report cited today by the newspaper AMBITO FINANCIERO, the meeting of Shining Path leaders in Tucuman "was designed to promote popular insurrection in the northwestern region of Argentina" after the 14 May presidential election.

The report states that the Shining Path guerrillas "are using Bolivian territory as a reserve zone and a strategic retreat area to escape from the antiguerrilla offensive launched by the Peruvian Government."

The Bolivian territory mentioned in the report is adjacent to the Argentine provinces of Salta and Jujuy.

According to military intelligence services, foreign guerrillas participated in the attack on the La Tablada barracks. This charge was neither confirmed nor denied by the Alfonsin government.

Justice Secretary Enrique Paixao conceded a few days ago that "several foreign terrorists" were among those killed in La Tablada, including a Brazilian woman, but he made it clear that "there is no proof of cooperation among Latin American terrorist groups."

Economy Minister on 'Supply Law,' Loan

PY1604234889 Buenos Aires BUENOS AIRES HERALD in English 15 Apr 89 p 1

[Text] (DYN-NA)—Economy Minister Juan Carlos Pugliese said during a press conference yesterday that the government is seeking ways to crack down on speculators, hours after he admitted that the Radical administration was working out an agreement with the opposition that would include new taxes and a maximum of fiscal restraint.

Pugliese said his economic team had taken the "political decision" to apply the so-called Supply Law against speculators, "because their open aggression against needy people has reached its peak."

The Supply Law, sanctioned during the last Peronist government, gives the incumbent administration the power to determine whether producers, wholesalers or retailers are establishing "unfair" prices.

The veteran Radical leader, who inisted that the law will be used against "those who increase prices excessively," announced that the government would periodically release a list of "indicative prices" to provide consumers with a framework.

But Pugliese emphatically denied that the list would constitute a price freeze or a schedule of maximum prices.

Earlier, the new economy minister had announced that the World Bank granted Argentina a 65 million-dollar loan for housing and energy projects, part of a 1.2 billion-dollar package which was negotiated last October.

With respect to the pact with the opposition, Pugliese said he shared other politicians' views that a wage hike was urgently needed, but he denied that the government would decree a salariazo [salary increase]. Radical and Justicialist presidential candidates Eduardo Angeloz and Carlos Menem had called for a salary increase last Thursday.

The negotiations with the opposition are centred on Pugliese's expressed wish to introduce some changes in this year's budget, which has been considerably outdated by the latest economic reforms.

The economy minister met Juticialist Senator Eduardo Menem yesterday to discuss the government's plans for the socalled "transition" period before May 14.

After the meeting, Menem denied there was any "pact" with the Radical government or that any subsequent agreement would mean a "co-government between our party and the Radical administration."

Nevertheless, both Pugliese and Menem agreed that a tax write off was not in the making.

Incidents Reported at UCR Rally in La Rioja

PY1604031789 Buenos Aires DYN in Spanish 1418 GMT 15 Apr 89

[Excerpt] La Rioja, 15 Apr (DYN)—A group of unruly members of the Justicialist Party [PJ] yesterday stoned the car of Radical Civic Union [UCR] presidential candidate Eduardo Angeloz. The group also threw sand at journalists covering Angeloz's political campaign and tried to beat them with their placards. The incident occurred a few minutes after Angeloz arrived in La Rioja, the birthplace of his political opponent, Carlos Menem.

Angeloz will continue his political campaign today in Cordoba Province, where he will visit several southern cities.

Yesterday's violent incidents took place while Angeloz was leading a motorcade of almost 200 cars from the airport to downtown La Rioja.

Local UCR President Raul Galvan confirmed the attack and charged "Peronist grassroots with provoking the caravan."

During a news conference, Angeloz said that "an all-out battle" occurred on his arrival and noted that "it reveals a regressive process within Argentine society."

Angeloz arrived in La Rioja airport shortly after 1900. Many people welcomed him with placards with slogans such as "Fewer school dropouts," "Payment of wages in australs, not in bonds," "Day-care centers," and "Angeloz-Casella: the ticket of the future."

A press communique released by the La Rioja UCR provincial committee reported that other incidents occurred in the afternoon during the arrangements for the evening rally held at the corner of Rivadavia and Buenos Aires Streets.

This committee also charged that "PJ members threatened and attacked with guns those attending ceremonies to welcome Angeloz. Several UCR members were injured during the unusual attack."

The communique signed by Galvan added that the police did not prevent the attack but acted as accomplices of those who perpetrated the attack. These incidents reveal that the police did not fulfill their duty of safeguarding order and public security.

The rally presided over by Angeloz was held in a tense atmosphere due to the actions of groups of Peronist youth members, who gathered near government house to harass those attending the rally by chanting slogans.

Some 200 PJ youths carrying chains, clubs, and other blunt instruments shouted strong statements against the UCR and Angeloz. They also waved placards saying "Follow me" and slogans that alluded to Menem.

Angeloz spoke to approximately 10,000 people from a stage set up on the corner of Rivadavia and Buenos Aires Streets, one block from government house.

While Angeloz delivered his speech, police arrested several alleged agitators.

After the meeting, the PJ activists resumed their harassment of UCR youth members and attacked a photographer from the local newspaper, LA GAZETA, while he was trying to photograph the incidents.

Policemen were deployed to prevent clashes that may have deteriorated to an even more critical situation.

The committee also released the list of those UCR leaders attacked while making preparations for the rally. [passage omitted]

Bolivia

Campaign Against Traffickers 'To Intensify'

PY1704192189 Buenos Aires DYN in Spanish 1602 GMT 17 Apr 89

[Text] La Paz, 17 Apr (AFP)—It was reported today in Cochabamba that President Victor Paz Estenssoro has instructed the Army and Air Force to intensify their repression of the drug trafficking gangs that operate in coca-producing areas, especially in the Chapare and Carrasco Tropical regions.

According to Federico Nava Morales, police commander of the anti-drug trafficking operations in Cochabamba, the president has made this decision because of the increase in illegal coca production in the region, despite the actions of the Leopards elite troops.

Nava pointed out one of the differences between the drug traffickers and the Leopards: "While we use handguns, they use submachineguns."

Harsh blows will be inflicted on the drug traffickers as a result of President Paz' decision, he said. The drug traffickers "mingle in with the peasants, businessmen, and drivers who daily travel in the Chapare and Carrasco Tropical regions either producing or trafficking drugs."

Nava said that the joint action of the Army, Navy, and Air Force is essential to control the situation, but one must not discredit the hard work of the Leopards.

In the past few days peasant leaders from the Chapare and Carrasco Tropical regions have reported that the combined actions of the police and the Army are not always directed against drug traffickers.

In a recent peasant congress, they said that the repression against coca-producing peasants was much harsher. "If we are attacked again, we will defend ourselves," the peasants said.

According to the Bolivian National Statistics Institute, there are about 70,000 hectares of coca—which is the raw material for making cocaine—distributed in the departments of La Paz, Cochabamba, and Santa Cruz, in the west of the country.

Negotiations With World Bank Termed 'Positive'

PY1404153389 La Paz La Red Panamericana in Spanish 0000 GMT 14 Apr 89

[Summary] Mining and Metallurgy Minister Jaime Villalobos has stated that a meeting between a Bolivian delegation and the World Bank was positive. He said that the financing requested of the World Bank will support the 5-year plan implemented by the Mining Corporation of Bolivia. He added that it will also allow the development of projects with good productive prospects.

The Bolivian delegation presented to the World Bank a financing project for $151 million, a project that was approved by the Central Bank.

New Leftist Group Issues Declaration

PY1404184789 La Paz La Red Panamericana in Spanish 1700 GMT 14 Apr 89

[Text] Imperialism is responsible for replacing military dictatorships with controlled democracies, according to a declaration issued by the political committee of Revolutionary Unity [Unidad Revolucionaria]. This new group represents the independent leftist sectors of the 5th Congress of the Bolivian Communist Party and those leftist sectors that seek to establish a basis for a revolutionary political party.

The document states that the U.S. Republicans and Democrats have changed their strategy for domination in order to preserve their capitalist exploitation model under other forms, while they always appear as the champions of democracy.

Police Seize Dynamite, Primers in Cochabamba

PY1404132589 La Paz La Red Panamericana in Spanish 1130 GMT 14 Apr 89

[Text] The Bolivian Police have given precise instructions to all personnel for strict operations against the illegal possession of explosives. Police sources have reported that, as a result of this measure, the Cochabamba police yesterday seized a large amount of dynamite and primers. They added that special operations were carried out to find more explosives and that investigations continue in order to identify people possessing dynamite.

It has also been reported that Oruro Department Police have mobilized all personnel to capture three individuals accused of trying to sell sulphuric acid they stole from the Special Antinarcotics Force.

Brazil

Heavy Water Production Project Revealed

PY1704160589 Rio de Janeiro O GLOBO in Portuguese 16 Apr 89 p 32

[Paulo Motta and Fanny Zygband]

[Text] Brazil is currently building a pilot power plant that will annually produce 1 ton of 99.6-percent pure heavy water. The power plant will be built in 5 years at the most. The site of the pilot plant and the production process to be employed are top secret, but National Nuclear Energy Commission (CNEN) President Rex Nazareth Alves revealed that the project's main objective is to guarantee total Brazilian self-sufficiency in nuclear fusion research and to lengthen the time between reactors' refueling. "Cold" as well as "hot" nuclear fusion requires heavy water and its use as a moderator in place of natural water in enriched-uranium reactors provides an "economy of neutrons."

The secrecy involving the pilot plant's location and the production process is imposed, according to Rex Nazareth Alves, not by the danger the unit may pose to the neighboring population, since there is no radioactivity and the residues are plain water, but by the international reaction that the announcement that Brazil is closing the nuclear cycle may arise.

Rex Nazareth Alves said: "The heavy water production technology is just as sensible as that for uranium enrichement."

Heavy water is water containing a high concentration of deuterium, a hydrogen isotope. Natural water contains 1 deuterium molecule in 6,000 light hydrogen molecules. In fact, heavy water production involves an enrichment process—like uranium—to concentrate deuterium to 99.6 percent. The production of heavy water is considered strategic, and a liter of it costs nearly $410 on the international market.

Brazil already had a program for heavy water production, developed by the Military Engineering Institute (IME) in the 1960's and 1970's, but it was interrupted after the decision was made to develop enriched-uranium plants. One of the participants in that project, nuclear engineer Teofilo Chagas, resumed the project last year at the initiative of the CNEN.

Teofilo Chagas said: "We have already managed to increase fourfold the natural-water concentration of deuterim in the laboratory; that is, we have attained a concentration of 500 parts of heavy water per million parts of natural water. In the next stage, when the pilot plant is ready, we will boost that concentration to 3,000 parts of heavy water. At that point, attaining a 99.6-percent concentration will be just one step away."

There are many processes for the production of heavy water. Brazil, however, did not choose any of them. It opted for a combination of processes—one of them the electrolytic—which is kept under seven locks. This combined process is the most modern and, except for an experimental unit in a European country, it is still in the project stage in the developed countries. According to Rex Nazareth Alves, this is the most feasible option for Brazil:

"Those who can afford caviar, eat caviar. We have a lot of rice and beans, and we will eat rice and beans."

Heavy water has a lot of uses. In addition to being essential to studies of nuclear fusion—hot and cold or room temperature—and as a moderator in natural uranium reactors (like the ones in Argentina and Canada), heavy water offers promising research prospects. According to Teofilo Chagas, deuterium can be used as non-radioactive tracer, because it can be incorporated into any hydrogen-bearing molecule that can be monitored by a mass spectrometer.

The CNEN president also revealed that heavy water can be used in Brazil as a moderator in reactors which might equip future nuclear miniplants, if Congress approves their construction. Heavy water will be quite suitable for the miniplants both because it "saves" neutrons and makes the need for refueling less frequent.

Rex Nazareth Alves said: "Argentina, for example, has natural uranium reactors moderated with heavy water and their efficiency increases with the use of a low-grade enriched uranium. We will do the reverse. We have enriched-uranium reactors moderated with light water which will be replaced by heavy water so that refueling can be made every 18 months instead of every 11 months."

According to Claudio Rodrigues, superintendent of the Nuclear and Energy Research Institute (IPEN), the amount of heavy water the country will need is related to the success of cold-fusion experiments. If the cold-fusion process proves to be sucessful, Brazil will have to decide whether to import an industrial unit for large-scale production of heavy water—as Argentina did—or to develop its own technology.

Claudio Rodrigues added: "If we take the second option, which is more likely, the logical path to follow will be that of a gradually increasing production. The first step is the experimental stage, which has already been taken. The industrial stage will depend on the approval of Congress."

The IPEN superintendent noted that with its large hydroelectric plants, such as Itaipu and the Urubupunga complex, Brazil has an advantage for the production of heavy water in industrial scale: "During the period of reduced generation to meet reduced demand, these hydroelectric plants can generate energy for electrolysis. In addition, they can provide abundant natural water of good quality."

Creditors Withhold $600-Million Disbursement

PY1704170089 Rio de Janeiro O GLOBO in Portuguese 16 Apr 89 p 34

[Text] Brasilia—The $600-million disbursement that Brazil creditors were to make last Thursday, 13 April, was postponed because the payment of interest on the external debt guaranteed by the Brazilian Treasury was delayed. According to a Finance Ministry source, bureaucratic problems prevented the government from bringing the debt's overdue service up to date on 31 March.

As a result of that postponement, the creditors not only withheld the disbursement of the new $600-million loan that originally was to be made in December 1988, but also demanded that the debt service be brought up to date to 7 April or they will not disburse any money.

Early this week, the Treasury Secretariat, the Central Bank, and the Bank of Brazil will carefully check which debtor enterprises have already received a wire asking them to arrange the payment of their external debt with the Bank of Brazil but failed to contact the bank, and which debtor enterprises have not yet received the wire sent by the National Treasury Secretariat. That effort will be made so that all external debt services can be made current in time for the foreign creditor banks to disburse the new $600-million loan by next Friday, 21 April.

Central Bank Devalues New Cruzado 3.2 Percent

PY1504160989 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 15 Apr 89

[Text] The Central Bank has announced the first devaluation of the new cruzado since its creation as part of the Summer Plan on 15 January. As of 18 April, the official buying rate will be 1.2 new cruzados per dollar and the selling rate will be 1.3 new cruzados per dollar. The devaluation is 3.2 percent.

Finance Ministry Secretary General Paulo Cesar Ximenes has said that even though the government believes the export sector is doing well, the devaluation was necessary to maintain the competitiveness of Brazilian exports. He added that as of now, the currency will be regularly devaluated.

[Begin Ximenes recording, in progress] ...regular, random adjustment to the increase in the cost of exports. We analyzed a set of internal and external indexes that reflect the internal cost of our exports and the inflation process of our commercial (?partners). The analysis of those indexes will allow us to adjust the exchange rate. [end recording]

Ximenes added that the devaluation marked the beginning of the second stage of the Summer Plan. He also said that the frozen prices will be gradually modified.

Former Finance Minister Funaro Dies of Cancer

PY1504003789 Rio de Janeiro O GLOBO in Portuguese 13 Apr 89 p 1

[Text] Former Minister Dilson Funaro, 56, died at 2110 yesterday, 26 days after being hospitalized at Oswaldo Cruz Hospital in Sao Paulo. Funaro had lymphatic cancer, which had been detected in 1981. His condition became serious a few days ago. He went into a come while in the intensive unit care.

Funaro, author of the Cruzado Plan, was one of the most popular finance ministers. He was even considered a possible presidential candidate for some time.

Chile

Errazuriz Praises U.S. Decision on Fruit

PY1504164589 Santiago Domestic Service in Spanish 1030 GMT 15 Apr 89

[Text] Foreign Minister Hernan Felipe Errazuriz has voiced his deep satisfaction over the U.S. Food and Drug Administration's decision to discontinue the stringent inspection of Chilean fruit shipments. The minister said that this decision will allow quicker distribution of Chilean fruits on the U.S. market.

Minister Errazuriz made this statement during a breakfast meeting with a group of high school students at the Foreign Ministry's blue dining room.

[Begin Errazuriz recording] It is a good decision. It will help expedite the distribution of fruit, because any bureaucratic procedure represents an obstacle. We will continue to inspect the shipments here in Chile to check the quality of our fruit, but it is good that they are lifting this obstacle in the United States. We are running out of time and have a large quantity of fruit awaiting distribution; the fewer obstacles, the better. [end recording]

Minister Errazuriz expressed regret over the fact that U.S. authorities have not extended the 20 April deadline for allowing only very high quality fruit into that country.

[Begin Errazuriz recording] It is not just a question of not sending Chilean fruit to the United States. The problem is that what we ship to the United States must be very high quality fruit. You want to know what I think about this? I think this is a time when they could have given us a hand, because we have had many problems. Chilean fruit shipments were suspended for 15 days. It would have been a great help to Chile if they had made it easier for our fruit to enter the United States. That would have helped offset the problems we have just had. We regret this, but, on the other hand, those regulations have always existed. We have, however, a chance of sending our fruit to other markets. The only thing is that we have lost a good opportunity. [end recording]

The minister said that thanks to the decision to discontinue the stringent inspection of Chilean fruit in the United States, the situation has returned to normal from the administrative point of view. In other words, U.S. regulations for our products are the same as those in effect before the problem arose. From the market point of view, however, the problem remains unresolved.

Minister Urges Citizens To Reject Strike Call

PY1504154089 Santiago Domestic Service in Spanish 1030 GMT 15 Apr 89

[Text] Interior Minister Carlos Caceres has urged the people not to be dragged into joining the strike called [for 18 April] by facade organizations that only seek to disrupt public order.

[Begin Caceres recording] In the first place, I want to urge the citizens not to heed the call to strike, because it is obviously designed not only to paralyze activities but also to promote the violence and terrorist characteristics of this type of movement.

In the second place, I want to assure the entire country that the Armed Forces, the security forces, and the civilian authorities will fully carry out their duty of keeping peace and order. [end recording]

The minister ended by stating that these movements were significant only to the particular international organizations that support them, and he noted that everyone is well aware of the principles that inspire the Central Labor Union.

Recent Bomb, Shooting Incidents Reported

Talcahuano Station Attacked

PY1504145389 Santiago Domestic Service in Spanish 2300 GMT 14 Apr 89

[Report from Concepcion by reporter Jose Miguel Concha]

[Text] Carabineros have identified the driver of the 1979 model Opala taxi used by two terrorists to attack the Villacero police station at 0710 today in Talcahuano. The taxi driver's name is Miguel Enrique Figueroa Monsalvez, 38. He has a police record and is said to be linked with the terrorists, who have not yet been found. According to the police, Figueroa contradicted himself often when questioned by the police, who had detained him and who held him incommunicado while placing him at disposal of the 2nd Military Court of Concepcion.

No one was harmed in the attack on the police station. General Rene Vargas Asenjo, chief of the 4th Carabineros Zone, called the attack a cowardly act, because the criminals fired at a police station that is surrounded by private homes and is 60 meters away from an orphanage. The police took the location into consideration when repressing the attack.

Twenty-one 5.56-mm bullets from an M-16 rifle were found in the walls, roof, skirting boards, and flag pole of the police station. This demonstrates the state of nerves of the criminals, Gen Rene Vargas said, for if they had aimed a bit lower, the police would have suffered some casualties.

Initial unofficial reports had stated that the bullets were from a Czech AKA gun. The terrorists' objective was to hurl a bomb at the police post. One of the terrorists tried to draw the attention of the Carabineros, while another criminal tried to hurl the bomb. He was spotted by a guard who alerted the rest of the police. The criminals fled after hurling the small bomb, which exploded in an empty lot without harming anyone.

Carabineros are looking for the two terrorists who escaped. They could be caught in the next few hours, because the police have solid clues.

Santiago Police Station Hit

PY1604032589 Madrid EFE in Spanish 0222 GMT 16 Apr 89

[Text] Santiago, 15 Apr (EFE)—Several unidentified people today opened fire from a moving car on a Carabineros (militarized police) precinct in the southern sector of Santiago.

The attackers apparently fired three bursts with an M-16 rifle, which did not cause injuries but damaged the walls of the precinct and an Air Force bus stationed in the area.

A police report states that the attack was perpetrated by four men who escaped from the area after leaving there leaflets of the "Lautaro Movement," an ultraleftist group.

Bomb Attacks, Bus Burned

PY1704151189 Santiago Domestic Service in Spanish 1030 GMT 17 Apr 89

[Text] A bus has been burned on Gresca and Puerto Montt Streets, in the area of (Huamachuco), Renca. The bus, license plate no BN-6323, was stopped by three armed terrorists who forced the driver, Jorge Enrique Dias Tapia, to leave the bus. They then sprayed the bus with gasoline and set it on fire. Damage was estimated at 12 million pesos.

Two bomb attacks were also reported in the last few hours. The first bomb exploded at a telephone service building on the corner of San Diego and Diez de Julio Streets, in Santiago.

The second bomb exploded between the Copelga Coffee Shop and Santos pharmacy in Providencia.

In both cases damages were considerable, but no one was injured.

Subway Car Bombed 17 Apr

PY1804005289 Santiago Domestic Service in Spanish 2300 GMT 17 Apr 89

[Text] A subway car was destroyed this afternoon when a bomb that terrorists had placed at the San Pablo Station shunting yard exploded. Manuel Pavez, an employee of a cleaning company, was seriously injured by the explosion. The worker was cleaning the car when the bomb exploded as the train was being shunted to the Military School Station.

The subway company Public Relations Office has reported that the bomb went off in the P car of train 3104. The car was totally destroyed. Subway Director Ludolf Lausen arrived at San Pablo Station shortly after being told of the attack. He examined the destroyed car, which he priced at $800,000. The subway continued working normally between Neptuno Station and Military School Station. San Pablo Station was closed for investigation.

Colombia

Antidrug Agreement With Venezuela Signed

PA1604033689 Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 15 Apr 89

[Excerpt] The visit by Venezuelan Defense Minister Italo del Valle to Colombia has concluded with the signing of a cooperation agreement in Villa de Leiva. The defense minister of Colombia, Manuel Jaime Guerrero, took advantage of the presence of many journalists

to strongly criticize the circus atmosphere surrounding the death of 19 April Movement [M-19] leader Afranio Parra, who was buried today.

The agreement signed by the defense ministers is for a struggle against drug trafficking, the guerrillas, and common criminals. The illegal smuggling of arms across the borders will be fought, past agreements will be revived, and there will be an exchange of military information. [passage omitted]

Peru's Larco on Cooperation Accords, Visit
PA1704191189 Bogota EL TIEMPO in Spanish 14 Apr 89 p 7-A

[Excerpt] Peruvian Foreign Minister Guillermo Larco said yesterday that the Colombian and Peruvian Armed Forces can briefly cross the border into the other country to carry out operations against drug trafficking.

The diplomat explained that the two presidents will sign an agreement along these lines during Peruvian President Alan Garcia's official 2-day visit to Colombia, which will begin on 23 May.

He also noted that although the "Rodrigo Lara Bonilla" agreement regarding joint antinarcotic operations is still in force, the parameters of the agreement may be expanded.

He said that new agreements on river navigation in the border areas will be signed.

Joint educational, health, technical, and scientific cooperation agreements, particularly in the field of agriculture, will be signed to benefit border area residents.

The Peruvian foreign minister said that other ways of achieving greater integration between the countries will be sought. Moreover, Latin America's political and economic situation and its relations with the rest of the world will be reviewed.

The Peruvian president will arrive in Colombia on his birthday, 23 May.

After his official visit ends, Garcia will attend the Cartagena meeting of the Andean Pact presidents, which will begin on 25 May and which marks the 20th anniversary of that organization.

The Andean Pact foreign ministers will meet on 2 and 3 May in Lima to prepare for the meeting.

Peruvian Foreign Minister Larco made the announcement yesterday during a brief stopover in Bogota on his way to Granada, Spain. [passage omitted]

M-19, UP Issue Declaration on Peace Process
PA1804014489 Bogota EL SIGLO in Spanish 14 Apr 89 pp 1, 8-A

["Declaration" issued by the 19 April Movement and the Patriotic Union on 13 April in Santo Domingo]

[Text] Santo Domingo, 13 April 1989

The following declaration was issued during a meeting in Santo Domingo of the eighth UP [Patriotic Union] plenum and the 19 April Movement, M-19, General Command:

1. We reaffirm our determination to work together to achieve a political solution to the national crisis.

2. We want a country in which ideas are debated and political projects carried out in a peaceful and business-like atmosphere.

This is why we are committed to achieving full democracy through a number of reforms in the main areas of national life.

2. The dirty war and the failure to punish crimes are factors that prevent a true unity of national forces. A review of these factors should involve the entire nation. We urge everyone to participate.

3. The M-19 and UP agree on the need to consolidate the various peace processes that are currently under way. The establishment of a single process is desirable since this would facilitate the nation's effort to find general and joint proposals for achieving peace.

4. The people must keep the concept of sovereignty in mind when making important decisions about their future. This is why we believe a referendum is the proper mechanism for surveying the national will for urgent economic, social, and political reforms to consolidate national coexistence and confirm the rights and freedoms of citizens.

5. We will pursue future developments in the ongoing peace processes. We will meet again to exchange views and continue working through consensus to find solutions for the nation.

[Signed] M-19, Carlos Pizarro Leongomez, commander general

German Rojas Nino, UP commander

Rene Ramos

Carlos Romero, Alvaro Salazar, and Julio Santana

Communist Leader Assesses Present Situation

AU1404140489 Sofia RABOTNICHESKO DELO in Bulgarian 12 Apr 89 p 4

[Interview with Manuel Cepeda, member of the Executive Committee of the Central Committee of the Communist Party of Colombia, by Detelin Sertov, representative of the RABOTNICHESKO DELO editorial board, given "during recent visit to Bulgaria": "Democratic Reforms Are the Only Way"—date and place not given]

[Text] [Sertov] Political life in Colombia is still linked with violence....

[Cepeda] Colombia is experiencing an extremely severe political and institutional crisis, caused by the incompatibility between the quickly developing productive forces and the existing political setup. For example, last year Colombia's economic growth was 4.5 percent. However, political life continues to be dominated by the two old parties—the Liberals and the Conservatives, who maintain a merely formal democracy. We should not forget Colombia's strategic position: It forms a bridge between Central and South America. All events in Colombia affect the neighboring countries.

Precisely because of this, the so-called "Santa Fe-II" document, drawn up by extreme right-wing U.S. politicians, contains a plan to apply pressure in Colombia and, more specifically, to expand the so-called low-intensity conflict, one of whose manifestations is the so-called "dirty war" in the country.

Accordingly, the violence in Colombia is caused by both internal factors—the crisis of the institutions—and external ones; namely, the policies of the most reactionary circles in the United States.

[Sertov] Can one expect the peace settlement to be fulfilled under these conditions?

[Cepeda] This is the aim of the Communist Party of Colombia [PCC]. At our recent 15th congress, we made a detailed analysis of the situation and concluded that the conflict in Colombia must be settled by political means. The PCC raised the question of removing the siege situation that, with a few interruptions, has been maintained for several decades, and of disbanding the paramilitary groups (according to the minister of internal affairs, about 140 such groups are operating). These groups owe their very existence to the support given by military circles and the clan chiefs to the trade in narcotics. (I will add in parentheses that this is the reason for the use of the term "narcomilitarism" in Colombia.) One of the PCC's demands is that the Army should be purged of fascist elements and that a civilian should be put in charge of the Ministry of Defense. The party also raised the question of making a start on the necessary democratic reforms, but the government pays no heed to our demands.

The government recently reached an agreement with "M-19," one of the partisan groupings in the country, but did not accept any commitments in practice. Accordingly, there are some doubts over how the lives of the partisan leaders will be subsequently guaranteed. The largest partisan group—the Revolutionary Armed Forces of Colombia—is demanding that the government take serious steps to limit the paramilitary groups, in order to conclude a truce.

[Sertov] Clearly, it will not be easy to achieve peace in Colombia.

[Cepeda] At the moment, peace supporters in Colombia are forming a broad front, which in practice has an antifascist orientation. Peace depends on how far this front will succeed in expanding, how the contradictions within the government itself regarding the paramilitary groups will deepen, and on whether we will succeed in isolating them. We are optimists, but also have a great need of international solidarity.

[Sertov] How do you assess the political prospects for the united left in your country?

[Cepeda] The leftist forces in Colombia are united in the Patriotic Union that was created 4 years ago. Its aim is to achieve national reconciliation in our country. However, the union immediately became a target of the organizers of the "dirty war." Hundreds of its leaders were beaten up, many of them PCC members. So far, over 1,000 people have died, including Jaime Pardo Leal, leader of the Patriotic Union, Deputy Chairman Jose Anteguera, and others. Threats continue to be made against the union and against the PCC. All members of the PCC leadership have received death threats. The same also applies to Bernardo Jaramillo, the present leader of the union, Gilberto Vieira, secretary general of the PCC Central Committee, and others.

On 27 February Comrade Forero, PCC secretary for organizational matters, was killed. His wife and Comrades Sotelo and Sotomayor also died in the atrocity. The next day, we had a meeting with Virgilio Barco, president of Colombia. He promised to take speedy measures against the paramilitary groups. However, only 4 days later, Antequera, the former leader of the Union of Communist Youth, was killed at Bogota Airport. Senator Ernesto Pisano, one of the Liberal Party candidates for the Presidency, was seriously injured at the same time. Many members of the military were present at the airport on that day, as well as the police chief of the capital, yet only one of the murderers was killed, while the rest escaped. This is why we told President Barco that we had serious doubts about the Army's role in this assassination.

Next year, presidential elections and elections for the legislative bodies are due to take place in Colombia. The PCC and the Patriotic Union want to take part in them, but we have warned the leaders of the Republic that

unless the "dirty war" is ended, we will expose the situation in Colombia to the world and regard the election results as illegal. Despite everything, we believe that the Patriotic Union has a promising future, because its aims are supported by the Colombian people.

Paraguay

Businessmen Reportedly Financed Army Coup

PY1604004189 Asuncion CAMBIO AUTENTICO in Spanish 14 Apr 89 p 9

[From the "Confidential" column]

[Text] Intelligence sources from a neighboring country have very strong clues as to where the money to finance the 2-3 February coup originated. Stroessner was obsessed with controlling Army materiel and gasoline supplies, especially those of the I Corps. Before the coup, the I Corps had only enough ammunition and gasoline to fight for 10-15 minutes. To provide the additional supply of ammunition and gasoline required (the gasoline apparently came from Argentina and Bolivia), some Paraguayan businessmen reportedly donated around $4 million. This is apparently why some people are unexpectedly having a great amount of influence on the government's economic team.

Central Bank Reports Cost of Living Increase

PY1504020289 Asuncion ABC COLOR in Spanish 15 Apr 89 p 14

[Excerpt] In accordance with data released by the Paraguayan Central Bank, the cost of living increased by 5.7 percent from January to March this year. During the same period last year the increase was only by .3 percent. Following the 2-3 February coup, there was a widespread price increase that stood at 4.7 percent, despite the fact that the much feared "major utility rate increases" have not yet been implemented. In March alone, price increases stood at 1.8 percent. [passage omitted]

Public Servants To Receive 30-Percent Raise

PY1704170389 Asuncion ABC COLOR in Spanish 15 Apr 89 p 11

[Syummary] At a meeting held yesterday, the State Council decided as of May 1 to grant a 30-percent salary increase to public servants and in pensions of retirees and war veterans. It also decided to increase the national budget by slightly more than 33 percent.

Government Dismisses Envoys To Brazil, Argentina

PY1604004389 Asuncion ABC COLOR in Spanish 15 Apr 89 p 9

[Summary] The Paraguayan Government has terminated the duties of Salvador Ruben Paredes and Miguel Angel Bestard as Paraguayan ambassadors to Brazil and Argentina, respectively.

Peru

Villanueva Cited on Politics, Coup Possibility

PY1704192489 Lima Television Peruana in Spanish 0100 GMT 15 Apr 89

["Exclusive" interview with Interior and Prime Minister Armando Villanueva on 15 April at the Foreign Ministry, by unidentified reporter—recorded]

[Excerpt] [Reporter] Minister, since the meeting with the cabinet members, sectors of the right and of the United Left have been conspiring somewhat against the democratic system. What can you tell this opposition?

[Villanueva] I would not use the word conspiring, because I do want to think that conspiracy would be considered by the sectors you have just mentioned. We have not yet learned to live in democracy. The rightist sectors are extremely aggressive when some of their demands are not met.

This is similar to the story told by Palma [a reknowned Peruvian writer] about a boy called Goyito, who was extremely spoiled. For example, if he suffered a mild cold, it was treated as if it were pneumonia. Lima toyshops would run out of toys to please him. Therefore when the demands of certain sectors are not met, especially the demands of the (?neo-conservatives), a Goyito policy is being applied.

However, I respect their position and their criticisms. I even remain quiet in the face of insults because I do not think that one can go down to such levels.

They will most probably seek to question the president. I hope they reach the necessary quorum. I would really like to see the exercise of the democratic game of a questioning, which is the minority's right. This will give the nation a chance to accurately hear the issues on which they have objections and to decide on the truth.

It's funny that this has happened just before the presidential announcement on the date for the municipal elections. In my first speech to congress, the first thing I said was that the government will guarantee the municipal and general elections. I also stressed that the dialogue will be maintained, and that we would never give up dialogue with all Peruvians. If someone does not want dialogue, it's up to him.

Third, I said that we wanted to insist on our economic reactivation policy, because it can permit the immediate resolution of some problems and because it can produce very favorable conditions for the next government, either for the APRA [American Revolutionary Popular Alliance] or for another party. Consequently, a policy of this type and the harassment against me and my party are unjustified.

[Reporter] Some of the media, with links to the right, however, have demanded the president's resignation.

[Villanueva] As you will understand, that is already aberrant because that would involve an attempt, an attempt [repeats himself] to undermine the Constitution. The president of the Republic can resign but not at the request of the minority, not at the request of those who were defeated in the elections we are marking today.

Therefore, we can rest assured, we can rest assured [repeats himself] that the president will not resign.

Standing up in protest, Vice President Sanchez has said he will not be a replacement for the president of the Republic. He has denounced this attempt very harshly, very harshly [repeats himself], because at his age—88 years—and after a lifetime of perseverance and loyalty, he cannot consider the possibility of any type of disloyalty.

Therefore, I believe that Sanchez' protest actually reflects the entire country's protest vis-a-vis [word indistinct] efforts that we cannot accept.

[Reporter] Considering all these problems, Senator, for example, the presence of the cabinet in congress, the questioning, an alleged strike by the national police, don't you think that the cabinet is facing a crisis?

[Villanueva] No. With the exception of the alleged strike, these incidents are actually strengthening democracy. This is why I just told you that we must get used to living in a democracy.

[Reporter] Has anyone resigned?

[Villanueva] No. Nobody has resigned; to the point that I am also here now at the Foreign Ministry, acting as foreign minister for Guillermo Larco as well.

Democracy is a way of life, of superior confrontation, at higher levels. In the past, we have been used to dictatorships. We believed that to govern meant to order. Governing means talking, sharing. We believed that to govern meant to impose. Governing means convincing. This is the goal of democracy. This is why the cabinet voluntarily goes to congress. This is why the Chamber of Deputies can question us. This is the reason for the debates.

However, the politics of [words indistinct]. No. You must do what I request or else...the government must quit. Well, this was the case 80 years ago, right?

[Reporter, interrupting] Senator, in any way do you...

[Villanueva, interrupting] ...[words indistinct] the military government, which was a dictatorhsip, admitted criticism. It admitted that proposals could be made regarding its decisions.

We pursue constitutional politics—abiding by the Constitution. Therefore, we are not upset by the criticism leveled by our opponents, by the opposition. We admit their criticism. We promote it. We suggest it.

[Reporter] At any rate, do you rule out a coup d'etat?

[Villanueva] We tell them: Question us. Gentlemen of the opposition: Question us. Please, question us.

[Repoter] Do you completely rule out the possiblity of a coup d'etat, a point that has been mentioned recently?

[Villanueva] I am absolutely convinced that the Armed Forces are fully abiding by the Constitution.

Concerning a police strike, it is completely out of the question because the police are discharging their duties with much honor, with much sacrifice.

Fair demands, not individual ones but those of the institution, which are made by their leadership, are being processed now. They now have good weapons. Other conditions must be improved. A policeman, however, is not a striker. A policeman is a soldier safeguarding others. A policeman is a teacher, guiding the people. [passage omitted]

Garcia Proclaims Law Creating Four New Regions

PY1504032389 Lima Television Peruana in Spanish 0100 GMT 15 Apr 89

[Excerpt] The regionalization of the country will end with our centralism and it will allow the people to organize themselves and choose their representatives. This was stated by President Alan Garcia as he proclaimed the laws creating four new regions: Andres Avelino Caceres; Chavin; Arequipa; and Moquegua, Tacna, and Puno.

The president said that this process has profound revolutionary significance and is the result of the dedicated work of congressmen. The laws were proclaimed during a ceremony that took place in the Golden Hall of the Government House, with ministers, congressmen, and departmental authorities present. [passage omitted]

New Democratic Front Officially Formed

PY1504035089 Lima Television Peruana in Spanish 0100 GMT 15 Apr 89

[Excerpts] The Democratic Front [Frente Democratico—FREDEMO] has officially been formed today with the signature of a document by the Popular Action Party, the Popular Christian Party, the Freedom Movement [Movimiento Libertad], and the SODE [expansion unknown]. The document has been signed by Mario Vargas Llosa, Fernando Belaunde Terry, and Luis Bedoya Reyes. [passage omitted]

[Begin Belaunde recording] The movement we are now forming is inspired by ideals of democratic unity. We do acknowledge that democratic norms fortunately already thrive in Peru, and the movements that make up this front have played an important role in this achievement. [end recording] [passage omitted]

United Left Faction Created

PY1704033689 Lima Television Peruana in Spanish 0100 GMT 17 Apr 89

[Excerpt] We begin our program tonight with the presence of Senator Rolando Ames.

As all of you know, in addition to the official formation of the FREDEMO this week, another movement has been formed within the United Left, the so-called Socialist Affirmation Movement [Movimiento de Afirmacion Socialista], of which Senator Rolando Ames is the main promoter. [passage omitted]

Suspected Member of Colombian M-19 Arrested

PY1704194889 Buenos Aires TELAM in Spanish 1431 GMT 17 Apr 89

[Text] Lima, 17 Apr (TELAM-EFE)—The police have arrested Jose Luis Francisco Gutierrez, a Colombian citizen, 28, who is suspected of being a member of the Colombian M-19 guerrilla group.

Gutierrez was arrested yesterday while traveling in a car with Peruvian engineer Miguel Rincon Rincon, in whose possession the police found subversive propaganda from the outlawed Revolutionary Movement Tupac Amaru (MRTA) of Peru.

Police intelligence sources have confirmed the arrest of this Colombian citizen and said that it is very important because he may be the liaison between the M-19 and the MRTA. Two years ago, these groups created the now dismantled "America Battalion," which staged some armed operations in Colombian territory.

The arrest of Jose Luis Francisco Gutierrez brings to three the number of Colombians that have been seized and that are under investigation by the Antiterrorist Police (DIRCOTE). Henry Vladimir Delgado Salazar and Jose Alzate Cardona were arrested following the armed attack on the police post at Uchiza, in the Peruvian northeast, where 10 policemen were killed.

Uruguay

Victory of Yellow Vote Ratifies Amnesty Law

Opposition Recognize Triumph

PY1704125289 Montevideo Radio Carve in Spanish 0930 GMT 17 Apr 89

[Text] The National Pro-Referendum Committee has recognized the triumph of the yellow vote, which upholds the amnesty law. The Pro-Referendum Committee and the Tupamaros said that they will respect the decision of the yellow vote.

52.57 Percent Favor Law

PY1704135889 Montevideo Radio Carve in Spanish 0930 GMT 17 Apr 89

[All figures as heard]

[Text] The Law of Expiration has been ratified with the triumph of the yellow vote [to uphold the law], which won the plebiscite with 52.57 percent of votes nationwide. The green vote [to abrogate the law], however, won in Montevideo. The Pro-Referendum Committee said it will respect the people's decision. President Sanguinetti said that democracy is the winner. Senator Battle met with the Tupamaros, who told him that they will respect the people's decision.

Today's EL DIA reported that 3,153 voting stations [circuitos] have already been scrutinized; 369,393 votes are yet to be confirmed [as heard]. Blank votes amount to 12,523; annulled votes: 5,698; irregular votes [votos observados]: 18,731.

Total scrutinized voting stations nationwide: 7,009; voting stations yet to be confirmed: 63; total yellow votes: 1,008,925, which represents 52.57 percent of the total votes cast; green votes: 770,221, which represents 40.13 percent; blank votes: 25,729, which represents 1.34 percent; irregular votes: 101,077, which represents 5.26 percent; envelopes with annulled tickets: 13,243, which represents 0.69 percent; total national vote tally: 1,919,195.

Results in the interior: Scrutinized voting stations: 3,856; voting stations yet to be confirmed in the interior: 28; yellow votes: 639,532, 61.92 percent of votes in the interior; green votes: 290,192, 28.09 percent; blank votes: 13,206, 1.27 percent; irregular votes: 82,346, 7.97 percent; envelopes with annulled tickets: 7,545, 0.73 percent, a slightly higher index than in Montevideo; total votes scrutinized in the interior: 1,032,821.

Results in Montevideo department: scrutinized voting stations: 3,153; voting stations yet to be confirmed: 35; green votes: 480,029, 54.15 percent of Montevideo votes; yellow votes: 369,393, 41.67 percent; blank votes: 12,523, 1.43 percent; irregular votes: 18,731, 2.11 percent; envelopes with annulled tickets: 5,698, 0.64 percent; total of scrutinized votes in Montevideo: 886,374.

Sanguinetti on Referendum

PY1704164789 Montevideo Radio Carve in Spanish 0930 GMT 17 Apr 89

[Address to the nation by President Julio Maria Sanguinetti on national television and radio network on 16 April 1989 at 2230 GMT, place not specified—recorded]

[Text] Until a while ago, some of us favored either the yellow [to uphold the Law of Expiration] or the green [to abrogate the law] vote. This division has just concluded. Now let us enjoy this. We are all Uruguayan citizens, and

now it is time to listen to the people's decision. A democracy is expressed through its legitimate representatives or, in this case, through [words indistinct] majority.

That majority has already made a decision. Let us contemplate the importance of this decision. There have always been arguments over amnesties after great conflicts. For example, in Spain at the end of the Franco era and of the democratic transition, and in France after World War II and the Algerian War. There have been terrible discussions, and even dramatic conflicts everywhere.

In Uruguay, we pased a legal (?solution) to a problem and some people disagreed with it, but we have just decided our future by means of a vote. Today's peaceful voting is in keeping with our best national traditions. As I have said, this kind of discussion has taken place in many places, but on very few occasions [word indistinct] a decision was made through peaceful voting. What a beautiful civic episode.

I am proud to say this as a president, and I thank all Uruguayans for this. Therefore let us not do anything that could tarnish this glowing national democracy, which is today's true great winner.

The majority of the people want peace regardless of our deep disagreements. Now, it is our duty to appreciate what we went through today. We must think that life will continue tomorrow, and that we will all return to work—to our factories, offices, or government house.

Of course, those of us who have institutional and political responsibilities, either with the state or political parties, have the obligation to evaluate the decision that will be revealed in the next few hours. We will have to act accordingly with a supreme witness to consolidate the democratic institutions that have worked in an exemplary manner for 4 years.

My friends, we have just resolved—positively I hope—the problems of the past, and those of the future will begin to be solved tomorrow, starting with preparations for the November elections.

Both problems can be solved by voting and not by shouting. This is the destiny of our country, this is what being Uruguayan means, [word indistinct] with a serene and calm spirit. Let us now listen to the people's opinion, and tomorrow, as usual, let us continue working, constructing, for our families, and [words indistinct]. Thank you.

Venezuela

Perez Addresses Governors Convention 13 Apr

PA1404124489 Caracas Venezolana de Television Canal 8 in Spanish 1631 GMT 13 Apr 89

[Speech by President Carlos Andres Perez at the inauguration of the 31st National Governors Convention at the "White Palace" in Caracas—live]

[Excerpts] Messrs ministers and governors, today we are holding the first governors convention of the current presidential term. I began my administration only 3 months ago, but I believe the governors have had sufficient time to become fully aware of the problems in their states, consider possible solutions, and prepare to face the difficulties that may emerge.

Venezuela is facing a difficult period, something that we have no reason to hide. There has been a sudden economic jolt. People throughout the country have been baffled by the turn of events, which seem unexpected. Uncertainty seems to be creating very negative expectations regarding national life. In all sincerity, as the person primarily responsible for the nation's public administration, I must tell you and the entire country that there is nothing to fear, that Venezuela is a solidly structured nation capable of confronting the difficulties that emerge throughout the course of its life as a nation. We are, in fact, experiencing a serious crisis, but we will overcome it with major, even far-reaching benefits for the future of our fatherland.

What is happening to Venezuela is simply the partial result of mistakes and omissions accumulated over the years. This is not the surprising event I would like to say it is. It is the result of the gradual accumulation of our mistakes and omissions. On various occasions, international and national commissions studied and scrutinized our economy, and they issued reports observing and warning against these mistakes and omissions. The consumerism trend and the security and strength our oil-related wealth afforded us resulted in the insensitive belief that the country could continue as before, stumbling, but always able to solve its problems because it could rely on its abundant oil resources.

This criticism or self-criticism, however you wish to describe it, should not incriminate the democracy we have practiced for the past 30 years. These are situations and realities we must confront with a positive attitude. We must not return to the past by leveling accusations and displaying negative attitudes, which will lead us nowhere, much less by making pessimistic predictions about the ability of Venezuelans to guide our country's future. Errors such as these have been and still are committed in many countries. They are not easy to examine or accept, because the country's general conditions allowed us to believe that in time, gradually, our problems would be solved. This would have been the case had we not had to confront the sudden drop in oil prices.

Although I have pointed out these negative aspects of our economic development, I must also acknowledge in all sincerity that today's Venezuela is a country that pleases me and that proves that these past 30 years of democracy have not been lived in vain. We have made progress, changed, and today we have a society that is more capable and competent and that is in a position to face the future successfully. This is truly a contradiction, because what I am trying to say is that we have not

properly taken advantage of our resources, nor have we been aware of the consequences that the mistakes and omissions we have been making for many years could create at a time of crisis.

More importantly, however, is that today we have come face to face with our future. We cannot continue solving our problems halfway. It has become necessary, at last, to solve them completely and definitively.

This is the situation we are facing. It is not a catastrophe. It is not an irreparable situation. On the contrary, I would describe it as a historic moment, a time in which we will reinitiate our effort as a nation and decisively alter the mistaken course we followed in the past.

The drop in oil prices and the huge debt are the two factors that have led to the current economic crisis. What are we doing about it? Have we stopped everything to argue over who is responsible and who is to blame? Have we stopped to catch our breath to see what path we should follow? No. We have adopted a vigorous and firm but unhurried position. Just as I pointed to our gradual accumulation of omissions and mistakes, I must also point out that throughout these years, many studies have been conducted and many possible corrections suggested. Venezuela's economy was studied in depth. Multinational organizations formed after World War II, organizations that have become major sources of guidance and knowledge on worldwide economic matters and have collected studies of each of our countries' economies in their archives.

Latin America has criticized—with some reason and justification—the positions adopted by the international system's top organization, the IMF. Latin America blames the IMF for its problems and complains that it has been subject to regulations that are practically impossible to adhere to in light of the present economic conditions. There is some truth to our charges against the international economic system; however, there are also some very important truths in the critical observations the international organizations have made regarding our economic management. We should openly acknowledge this because failure to do so would prove that we are psychologically unwilling to confront the crisis.

The IMF has not imposed on Venezuela the guidelines I have discussed regarding Venezuela's economic reorganization. These guidelines are the result of studies carried out in Venezuela by Venezuelan technicians. They are the result of information and reports gathered by Venezuelan Government technical organizations.

The plan Venezuela presented to the IMF is part of an authentic and judicious plan to solve the problems it faces. However, the international organizations definitely do not take the Latin American nations' realities into account when discussing the manner in which these measures should be applied. The big distortion, the big contradiction in what I have described as the conditions imposed by the IMF is that this organization only takes the Latin American countries' internal economies into account. It refers to the economic adjustments they must make, but it does not ever refer to the region's position within the world economic system, the foreign debt payments the IMF has imposed on us, international market conditions, exchange rates, the prices of our basic products, exports to industrialized countries, or to the protectionism that closes markets to our countries. This is where the great contradiction emerges.

Although I agree that Latin America must take serious and uncompromising responsibility for correcting the errors in its economic system, the international organizations have said or done nothing about the brutal exactions forced upon us as a result of our foreign debt obligations.

This contradiction has made adjustment programs fail in Mexico, Brazil, and Argentina, and could make them fail here too, because the new economic policy we have adopted is based on adjustments.

This is why we have welcomed the so-called Brady plan, a new initiative of the Bush administration. This plan has also been accepted by industrialized countries because it establishes a correspondence between the adjustments that we must make in our domestic economy and the international commitments with which we must comply.

The Brady plan, which will be implemented through the IMF and the World Bank, takes into account the fact that if there is no major debt reduction and if debt service obligations are not substantially reduced, we will not be able to pull out of the crisis, and it is very probable that we would sink deeper into it.

This is what the media reports. This is what is creating confusion and uncertainty among the people. I wish to say sincerely and frankly—two qualities for which I am well known—that we are on the right path by making the sacrifices that are needed from all national sectors. At the same time, we are about to obtain the resources we need to ease the hardships that these economic adjustments have inflicted on our nation's poor. Moreover, we are finding ways to facilitate and encourage the development of private enterprise in Venezuela. The efficiency of Venezuelan public services and businesses has improved, and these sectors have been upgraded. However, we—like everyone else—are incapable of performing miracles.

We have to live with all the ups and downs of national and international economic situations. We have to accept the psychological factors that influence economic processes, but we have to do it with a firm hand so that we do not yield at the first hardship and rescind measures we know are correct.

The country's biggest economic sectors, which will be able to strengthen their positions in the country and enhance the solidity of the nation as a result of a more stable economy, have not cooperated as much as we had expected—and had the right to expect. This is difficult to believe, but it is true.

I am saying this frankly to explain a situation that has emerged. The letters of credit problem, which has affected all economic sectors, has produced uncertainty. Businessmen and importers would like the national government to offer exchange rate guarantees, as it had promised to do. They want the state to pay for losses incurred as the result of exchange rate fluctuations in the process of importing goods. This is not a matter of the government whimsically refusing to pay. This is not a matter of our ignoring the fact that we created for ourselves an obligation in this field. But facts do not allow the government to assume this huge commitment, which amounts to more than 100 billion bolivares, without failing its national responsibilities.

We have negotiated with the IMF because we had to; because under the circumstances there was no other way out; because our operational foreign exchange reserves were exhausted, and the IMF negotiations do not allow payments on cost differences resulting from exchange rate fluctuations affecting letters of credit.

The state, making a big sacrifice, has assumed 50 percent of that payment, approximately 50 billion bolivares. The remaining 50 billion bolivares, which must be paid by private enterprise, are certainly a big burden for that sector. We cannot ignore this and we have not wanted to ignore it. We have asked for cooperation and understanding, because we know what the real situation is. The government and private economic sectors should search together for formulas to finance and resolve the letters of credit problem. This situation has had very unpleasant consequences. We promised the IMF and the country's productive sector to reduce to a minimum the number of goods that are under price controls or subsidized and to free prices on all the other products.

The response has not been what had been expected by the government and by national sectors that find themselves striken by huge price increases. A dangerous and harmful process of speculation has resulted. This process does not contribute at all to the national concertation process and could turn relations between some production sectors and the government bitter.

Prices on many items were kept low for many years, which created dangerous maladjustments in some productive activities. These circumstances created the current situation of price increases and the search for adequate prices.

This has happened. Some price hikes will directly affect consumers, especially the workers, peasants, and middle class. Of course, we could not have expected a favorable reaction to the price hikes, but we do have the right to expect understanding for an effort directed at setting the economy on a realistic and honest basis and ending the artificial and false economy on which national life had been functioning.

I have described that artificial economy as an economy of rascals, because everybody was thinking about how to elude the rules of the game. The government set the prices, but we all know price regulations were not being obeyed. The productive sector also offered to comply with norms, but we all know they were not being complied with.

Throughout the years, we fell into a dangerously informal way of handling the economy, a situation that would bring the country many problems, many dangerous situations, as the national economic process becomes more complex.

Today we have to ask all sectors to think carefully and be patient—but actively and critically patient. We are not opposed to having all the steps our government takes examined and discussed. This is why we have the concertation. Debates and a permanent dialogue with all the sectors have been the norm that the government has imposed and complied with so far.

If we want to end uncertainty, if we want to present an image of composure that will help fight speculation and calm the people so they do not make nervous purchases and so there are no dangerous supply shortages, it is necessary to have the cooperation of all sectors.

When I read the papers in the morning, I am mortified and confused by the contradictory news I read, by the speculation on all the national economy issues. This is not a sensible way to confront the situation we are facing.

I wonder: How is it in the provinces? What is the situation being faced by productive sectors in the countryside and in the cities? What is the situation of the middle class in the cities of Venezuela? What do governors and other national and regional authorities think about all the contradictory information and rumors? That is why it was indispensable for us to have this meeting to discuss and exchange information, so you may return to your states clearly understanding the problems and so the central government may also have information on the situation in all the regions.

The problem of high interest rates generated much anxiety in the agricultural sector, for example, which is of primary importance in these sectors... [corrects himself] in these regions. This anxiety was, of course, highly justified. It is impossible to provide agricultural financing at interest rates of 20, 25, or 28 percent. More importantly, even though the government has recognized cost increases and has substantially increased production prices, such high interest rates make it impossible to truly create a correlation between costs

and prices of agricultural products. This problem was bound to come up. Yet we have gradually solved the problem of high interest rates, and we have already reached agreements with the banks to ensure that interest rates are low enough not to impede agricultural development. In addition, we plan to provide more resources to the Agricultural Development Bank and to the Agricultural Credit Institute to allow them to finance certain harvesting activities essential to the state.

We will not neglect the agricultural sector. It is fundamental for the success of our policies and for bringing food and peace of mind to the homes of the Venezuelan people. Everyone in Venezuela knows that I am interested in and concerned about the agricultural sector and that I will always defend it. They should not fear that I will put those feelings and concerns aside now that I am head of state or that, while fulfilling this duty, I will make the mistake of abandoning an efficient and sufficient agricultural policy that will eventually generate a secure and progressive agricultural process in our country.

This problem is being solved. Other problems, however, are affecting the farmers, such as the vital problem of agricultural administration. Agricultural production costs are not restricted to what is spelled out in reports by experts. Agricultural production costs are very restricted and marked by the framework in which agricultural activities are carried out. We will give importance.... [changes thought] We will implement an agricultural administration plan that will allow us to build and repair Venezuela's agricultural development. We will implement this plan very soon. It will certainly be of great help to the farmers. The agricultural plan will be a determining factor in bringing down agricultural costs.

We must also bring peace to the farmlands. The problem of the illegal occupation of farmland is still prevalent in this country. We will begin the full implementation of a policy that had been in effect during my previous administration. We will establish a commission comprising the state governor, the National Guard commander, a peasant union representative, and a business representative that will take immediate action to control this situation. We cannot allow peasants to occupy land illegally. We must dislodge them immediately. At the same time, however, we must examine the reasons behind the occupation of land. If the action, although unjustifiable, can be explained—if the land belongs to the peasants—then the commission must immediately propose solutions. But we must reject illegal land occupation on principle. We cannot allow farmland to be illegally occupied. Our state organizations must enforce this rule immediately and consistently to reinstate the status quo in force before these land invasions began to take place.

You, as governors, can tell all the farmers and all the sectors in the country on my behalf that the government is aware of their problems and of the obstacles they have been encountering. The problem cannot be solved merely by increasing prices; in fact, the more we increase prices, the greater the danger of inflation, and the greater the damage we will inflict on our low-income groups. We inevitably have to increase prices. We are forced to do so by new costs and by a new economy. However, we must also control agricultural production so we will not have to devote all our opportunities for progress and all our incentives exclusively to increasing prices. This would not give us the kind of agriculture we want in our country.

I also want to mention the problem of construction projects. Cost increases cause confusion and uncertainty, and many projects might have been halted in states. This convention will be dealing with this. Ministers and governors will discuss the situation in the construction sector so as to find an immediate and adequate solution. [passage omitted]

The budget situation in the states continues to concern and alarm us. Throughout the years, Venezuela's democratic governments have been unable to correct the grave problem of the state governments' debts. I once promised that if a state government tried to conceal its debt, I would immediately fire that state's governor. I was never able to keep that promise, because the central government only learns about the states' debts when new governors are appointed and report the amount of the debt they find in their states. This has continued to occur. Today my administration finds a debt of more than 4 billion bolivares in the state governments. This debt signifies something even more serious. Suppliers, contractors, and important sectors of the regional economies lack those resources, and this further depresses economic activity in the states. [passage omitted]

I want to tell you governors that there will not be a shortage of supplies in the country. Whatever needs to be imported will be imported at the right moment. If any imports by the private sector run into some problem, the government will without hesitation deal with this responsibility. We are correcting the errors made by the Produce Marketing Corporation. We are going to create an institution that will guarantee basic supplies for the country; one that will guarantee the farmers are paid adequate prices for their crops. Therefore, we will guarantee supplies. Fortunately, the private sector has created very efficient distribution chains that will keep the national market well supplied.

Let us discuss the problem of public services. When we talk about salaries and wages, we think they are the only things that affect the cost of living. By the way, I want to tell you that the increase in government salaries and wages will entail an annual disbursement of 28 billion bolivares. This large amount shows the importance and the magnitude of the government's decision to increase government salaries and wages. Salaries and wages are not the only things that affect the cost of living. Public services form part of social spending. They affect the real cost of living. Public services are being provided under very lamentable conditions. I have received reports that I will confirm in my visits to the

states and through reports I am requesting from various national agencies. Such reports indicate that, for example, the situation of the hospitals is more than bad—it is deplorable. [passage omitted]

To have resources to deal with all these needs, we must really have an austerity government. This is easy to promise but not easy to deliver. We are carrying out a number of measures at the national level. We have ordered a freeze on government hiring. This step must also be taken by all the state governments. We must reduce the government bureaucracy, but we must do so without upsetting people. A sudden dismissal of government employees and officials would worsen unemployment. However, through a gradual process of a hiring freeze, we can achieve this primary goal of reducing government jobs. [passage omitted]

These are my words and my message as president to you governors. You have a great and important responsibility. Let's get to work!

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